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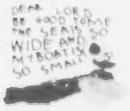
CDF'S CHILD, YOUTH, AND FAMILY FUTURES CLEARINGHOUSE

A CONTINUATION OF THE ADOLESCENT PREGNANCY PREVENTION CLEARINGHOUSE

Child Poverty in America

To this country's shame, poverty claims growing numbers of young U.S. children — and they are not the children the stereotypes describe. With its enormous wealth, the United States could eliminate child poverty by the year 2000 — if it chose to do so.



Beginning with this report, CDF's Child, Youth and Family Futures Clearinghouse has been redesigned to facilitate ease of reading. CDF welcomes readers' comments and suggestions about the format and content of these reports.

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Child Poverty in America

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CHILD POVERTY IN AMERICA

Introduction

There was a time in America when very widespread poverty, including child poverty, was unavoidable. That time has passed.

In the early history of this nation, and as recently as the Great Depression, hard times were an inevitable part of life for large segments of the American population. The deprivations suffered by children were a reflection of the struggles of millions of families from all walks of life.

In recent decades, as the economy has grown and social insurance programs have shielded large segments of the population from hardship, poverty among adults, including elderly adults, has dropped precipitously. But child poverty rates remain high — twice as high as adult rates. One in five American children (and one in four preschoolers) is poor.

But child poverty in America in the 1990s is not inevitable. Indeed, the nation can no longer afford to have such widespread child poverty — economically, socially, or morally.

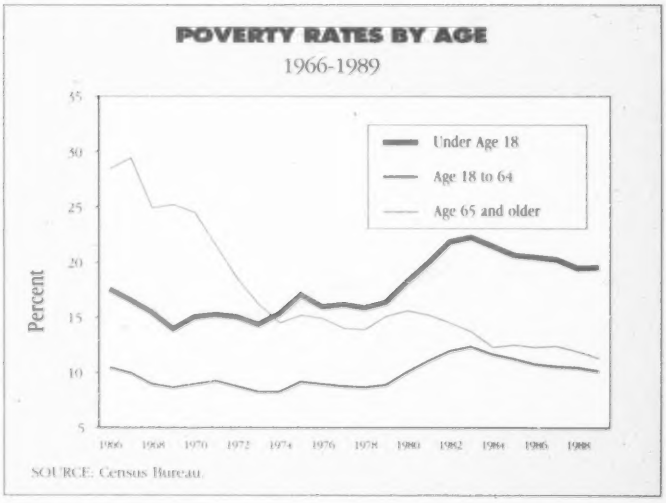
The nation now has more than adequate resources and ability to conquer the child poverty that persists and grows amidst broader affluence, if it chooses to do so. In fact, America has never been more capable economically of eliminating child poverty. Despite the picture many would sketch of a nation crippled by budget deficits and lacking the resources to tackle its fundamental problems, America's wealth — as measured by the Gross National Product (GNP) — reached an all-time high in 1990. The nation is twice as affluent as it was in 1964, when child poverty rates were plummeting. Between 1979 and 1989, while child poverty increased by 21 percent, the GNP grew by more than one-fourth. Yet we have not chosen to use our growing affluence to combat child poverty.

We can choose otherwise. America's success in lifting older Americans out of poverty during the past three decades offers compelling evidence that this nation has the knowledge and ability to combat poverty.

Driven largely by improvements in Social Security and the Supplemental Security Income program, the poverty rate for persons 65 and older was slashed by nearly two-thirds between 1967 and 1989 — from nearly 30 percent to slightly more than 11 percent. The most dramatic gains were achieved in seven years (between 1967 and 1974), when the poverty rate for older Americans was cut in half. And even during the 1980s, when child poverty soared, the poverty rate for older Americans steadily declined, dropping nearly one-fourth. Poverty is still too high among older Americans — and rates are especially high for elderly blacks and Latinos — but the nation's huge success story in combating poverty among the elderly is instructive and heartening.

For a period in the 1960s, the nation also made dramatic progress in reducing child poverty. Child poverty rates were cut in half in a single decade, from 27 percent in 1960 to 14 percent in 1969. Poor children were aided by a combination of robust economic growth and concerted government action to combat poverty. Expansions in federal aid to poor families with children, anti-discrimination efforts that opened job markets for minority parents, and policies designed to rejuvenate depressed urban and rural communities all contributed to reductions in child poverty. But then progress was halted dur-

(continued on page 4)



SOURCE: Census Bureau.

BASIC FACTS ABOUT CHILD POVERTY

How many children are poor?

• More than 12 million children in the United States — about one in five children — are poor. Children are almost twice as likely to be poor as any other group of Americans, including the elderly.

• The number of children in poverty increased by more than 2.2 million from 1979 to 1989, despite uninterrupted economic growth after 1982 and through 1989. If the recession and recovery patterns of the 1970s and 1980s are repeated in the 1990s, by the year 2000 the United States will have 14.8 million children in poverty.

• The official poverty line in 1989 was $9,885 for a family of three and $12,675 for a family of four.

Which children are poor?

• The stereotypes of child poverty are very misleading. For example, in 1989 only one in 10 poor children in America was a poor black child living in a female-headed family on welfare in a central city.

• The youngest, most defenseless Americans suffer the most of all. Younger children are more vulnerable to developmental delay and damage caused by inadequate nutrition or health care. But, in America, the younger you are, the more likely you are to be poor and suffer such damage. Nearly one in four infants and toddlers is poor. The bulk of the growth in child poverty during the 1980s was among children younger than six.

• Two in three poor children are white, Latino, Asian, or Native American. One-third of poor children are black. A black child is more likely to be poor than is a white or Latino child. But because a relatively small share of the total population is black, blacks make up only a minority of poor children. During the 1980s Latino poverty rates grew the fastest, and roughly half of all children who joined the ranks of the poor between 1979 and 1989 were Latino.

• Children in female-headed families are far more likely than others to be poor. Yet more than two in five poor children live in families where the father is present. Even if there were no families headed by women in this country, we still would have one of the highest child poverty rates among all industrialized societies.

• There are more poor American children living outside central cities (6.9 million in 1989) than inside them (5.7 million). The child poverty rate is higher in rural areas than in the rest of the nation (22 percent versus 19 percent).

• Most poor families with children are working families. Nearly two out of three poor families with children had one or more workers in 1989. Nearly one in every five poor families with children had a household head who worked full-time throughout the year but still could not earn enough to lift the family out of poverty.

• Earnings from employment are the largest source of income for poor families with children. Total earned income for such families in 1989 was more than twice as great as the total amount of income they received through public assistance programs.

• The inflation-adjusted median income for young families (those headed by persons younger than 30) with children dropped by nearly one-fourth between 1973 and 1987. As a result, more than one in three children living in young families is poor.

How deep is child poverty?

• The average poor family with children had a monthly income of $588 in 1989 — more than $400 a month below the poverty threshold. Two in five poor children (41 percent) lived in families with incomes of less than half the poverty line (or less than $6,338 for a family of four) that year.

• One in 11 among all children younger than six lives below one-half the poverty line. Only one in 25 working-age adults and one in 50 elderly adults suffers such extreme poverty.

• Because of the depth and breadth of poverty, one in eight American children is reported to be suffering from hunger. More children are hungry in the United States than there are total children in such countries as Angola, Somalia, Haiti, Zimbabwe, El Salvador, or Cambodia.

Why have so many children become poor?

• One chief cause of growing child poverty has been the large decline in wages, especially for young workers.

Between 1979 and 1989, the proportion of hourly workers who were being paid wage rates too low to lift a family of three out of poverty increased by more than one-half. By 1989 nearly half of all hourly workers younger than 25 and one in six older workers were paid such inadequate wages.

• The minimum wage is worth less than 80 percent of its real (inflation-adjusted) 1979 value. As a result, the minimum wage earnings for a full-time, year-round job ($8,840) are well below the amount needed to put a three-person family above the poverty line (an estimated $10,723 in 1991).

• From 1979 to 1989 nearly one-half of the increase in the poverty rate among families with children resulted from the declining effectiveness of government cash payments in lifting such families out of poverty. Changes in the job market that further skewed the distribution of employment and income and left more workers unable to support their families were responsible for almost one-third of the increase. Finally, the growing proportion of children living in single-parent families was the relatively smallest major force driving child poverty rates upward.

• More than half of all government cash transfer payments (from programs such as Social Security, veterans' benefits, and AFDC) go to non-poor families. Only $1 in every $12 of such payments in 1987 went to families with children that were poor or would have been poor in the absence of that government help.

• Even among low-income Americans, families with children get less help. If low-income families with children had received government assistance payments at the same per capita rate as the rest of the low-income population (including the elderly and adult couples without children), they would have received an additional $69 billion in aid in 1987 — nearly four times as much as they actually received and more than enough to lift all poor families with children out of poverty.

• Three out of four elderly Americans who would have been poor without government income support received enough help from Social Security and other sources to raise them above the poverty line in 1989, compared with one in 10 otherwise poor children younger than six.

• Spending cuts during the 1980s also hurt poor families with children. If just the inadequate 1979 level of government spending for cash transfer payments per low-income family with children had been maintained, rather than falling 21 percent, low-income families with children would have received an additional $5.2 billion in government help in 1987.

Can America afford to eliminate child poverty?

• America's wealth — as measured by the Gross National Product (GNP) — reached an all-time high in 1990. Between 1979 and 1989, GNP grew by more than one-fourth, but child poverty increased by 21 percent.

• In 1989 the incomes of every poor family with children could have been lifted to the federal poverty line for $28 billion—the equivalent of one-half of one percent of the GNP. This is roughly equal to two years of inflation growth in the Pentagon budget, or to the added income the richest 5 percent of American families received in 1989 because of the shift in the distribution of income to them from the poor and middle class after 1985.

Can America afford not to eliminate child poverty?

• We cannot afford to continue to ignore child poverty. The other wealthy industrialized democracies of the world have lower (usually far lower) child poverty rates than the United States, even though the United States has the world's largest GNP and a per capita GNP higher than every nation except Switzerland, Norway, and Japan. Our high child poverty rate is interfering with the healthy development and education of millions of our children and threatens the nation's economic and social future.

• High U.S. child poverty rates are making it far more difficult and expensive to solve a host of related social problems afflicting children, their families, and the nation. Eliminating child poverty will give the nation a huge running start on tackling the educational, health, substance abuse, crime, and other problems that seem so daunting.

ing the 1970s and child poverty rates moved upward again in the 1980s.

Our high child poverty rates bring with them tragic costs to the society. They have made it far more difficult to solve a host of related social problems afflicting children, their families, and the nation.

By many measures of children's well-being, America's performance compared with that of other nations is dismal. Our nation's rank in combating infant mortality has dropped to only nineteenth in the world. We are twenty-eighth in avoiding low-birthweight births. And once in school, our students fare very poorly on tests of educational achievement compared with their peers in other nations.

By many measures of children's well-being, America's performance compared with that of other nations is dismal.

The nation's failure to keep pace with our economic competitors in these and other key areas represents a growing threat to our future strength and economic competitiveness. Recognizing this danger, our public leaders have set a number of national goals for the year 2000. President Bush and the governors established important education goals: having all children start school ready to learn, raising student achievement markedly, and increasing high school graduation rates to specified levels. The United States also has agreed to a set of United Nations goals for reducing child mortality and hunger by the end of the decade. And the U.S. Public Health Service has articulated a series of crucial maternal and child health and nutrition goals for the year 2000, including reductions in low birthweight and infant mortality; the elimination of polio, measles, and rubella; and reductions in drug and alcohol use by teens, child abuse and neglect, and a variety of preventable diseases and other causes of death or disability among children.

Attaining these goals will require significant changes in child health, education, and other policies. But there is little doubt that the biggest obstacle to reaching the goals is our nation's extensive child poverty. No set of health or social services can fill all the gaps in the lives of 5 million American children who live on family incomes of less than half of the official poverty line. Schools can try to compensate for the malnutrition, unhealthy housing, and hopelessness bred in deeply impoverished and economically depressed neighborhoods, suburbs, and towns. The latest medical technologies can save infants' lives (often at astronomical cost) when they or their pregnant mothers do not get adequate food or preventive health care. Yet until we tackle child poverty head-on, the challenges and costs of repairing the damage to children after the fact will continue to overwhelm us. No later remediation can compensate for the harm caused by subjecting children at the most vulnerable ages to the greatest deprivations.

The central role of child poverty in the range of social problems this nation faces can and should be a cause for hope rather than despair. *If* America has the political will, we have the resources to eliminate child poverty. And eliminating child poverty will give the nation a huge running start on tackling the educational, health, substance abuse, crime, and other problems that seem so daunting. To begin the task of eliminating child poverty by the year 2000, however, we must recognize child poverty as the soluble problem that it is.

The cost of eliminating child poverty would be substantial, but very affordable within context. The Census Bureau calculates how far poor families' incomes are below the federal poverty line, so we know that in 1989 the incomes of every poor family with children could have been lifted to the federal poverty line for $28 billion. This is the equivalent of one-half of 1 percent of the U.S. GNP. Lasting solutions to the problem of child poverty are more complex and costly than this, involving more than just making sure that each poor family with children has its income raised to the poverty line. But the size of this cumulative poverty deficit does demonstrate that the problem is manageable, and not beyond our means to tackle and solve.

While $28 billion is a great deal of money, we must balance this cost against the far greater economic and social costs of not acting and continuing a daily toll of poor health, violence, teen pregnancy, school failure, and loss of productivity. This nation has no more important way to spend $28 billion per year, an amount roughly equal to:

• What this nation will save if, given the end of the Cold War, we simply withhold from the Pentagon inflation increases for two years ($26 billion).

• What the richest 5 percent of American families received in 1989 alone because of the shift in the distribution of income since 1985 from the poor and the middle class to the rich ($33 billion).

• What the richest 1 percent of all American taxpayers received in 1990 alone as a result of additional tax breaks approved by Congress and the president since 1977 ($39 billion).

• What the nation is spending every year to bail out profligate savings and loan institutions (S&Ls) (more than $30 billion in 1991).

More than 40 years ago the distinguished conservative leader Sen. Robert Taft (R-Ohio) said, "I believe that the American people feel that with the high production of which we are now capable, there is enough left over to prevent extreme hardship and maintain a minimum standard floor under subsistence, education, medical care and housing, to give to all a minimum standard of decent living and to all children a fair opportunity to get a start in life."

This nation is nearly four times as wealthy as when Sen. Taft spoke. What we were capable of two generations ago we are far more capable of today — economically. Our per capita GNP is higher than that of most of our European competitors, which have much lower child poverty rates. Former Federal Reserve Chair Paul Volcker wrote that America surely can afford to meet its pressing domestic needs: "It's a question of attitude, not of economics. You can afford what you think you really need — within limits. I don't think we've reached those limits."

The challenge is to accomplish what we are capable of. There are clear signs of a growing response to that challenge. More and more political leaders, journalists, religious leaders, and business people have started to speak again about the terrible costs this nation's astronomical child poverty rates impose, and about the need to attack that poverty. That is a beginning on which we must build. All Americans must come to understand that having one in five children living below subsistence levels in the richest nation on earth is a moral abomination and an act of national self-destruction that can and must stop — now.

The Pervasiveness of Child Poverty

In 1989, 12.6 million children — one in five children in the United States — lived in poverty. Children, and especially very young children, are almost twice as likely as any other group of Americans to be poor.

Poverty Rates by Age

(Percent)

Children younger than 18	19.6%
Children younger than 6	22.5
Children ages 6 – 17	18.1
Adults ages 18 and older	10.4
Adults ages 18 – 64	10.2
Adults ages 65 and older	11.4

The emergence of child poverty rates so much higher than those for adults is a recent phenomenon. As recently as the late 1960s, child poverty rates were closer to those for working-age adults and lower than those for the elderly. This pattern was reversed in the 1980s, with children becoming by far the poorest of all Americans, while poverty among the elderly fell dramatically. The answer to these types of inequities is not, of course, to reverse the gains of the elderly, but to meet the needs of children more adequately. All citizens' well-being, including the elderly's, ultimately depends on the healthy development of children.

Growing Numbers of Poor Children

Despite uninterrupted economic growth from the end of 1982 through 1989, the number of children in poverty increased by more than 2.2 million in only a decade (from 1979 to 1989). U.S. economic growth no longer yields major reductions in child poverty. Indeed, if the patterns of the 1970s and 1980s are repeated, the number of children in poverty will continue to rise in the 1990s even if the economy grows.

In earlier eras children fell into poverty during recessions, but larger numbers escaped poverty during recoveries. In recent years, however, children have been hurt more by recessions and have become less and less likely to bounce back during periods of economic recovery. This switch in the im-

pact of U.S. economic cycles has devastated families with children.

The only recession of the 1960s was so brief (from April 1960 to February 1961) and mild that fewer children were poor when it ended than when it began. But the recessions of the 1970s were much deeper, pushing children into poverty at a rate of more than half a million per recession year. The impact of recessions on children grew even worse in the 1980s, adding an average of 884,000 children annually to the ranks of the poor.

In turn, economic recoveries have lost virtually all of their ability to rescue children from poverty. During the 1960s, for example, growth periods lifted more than 900,000 children annually out of poverty. In the 1970s and 1980s this rate dropped to fewer than 300,000 annually. Indeed, in 1989, the last year of the economic recovery before the current recession (and the last year for which child poverty data are available), the number of children in poverty actually grew — an indication that good economic times were not reaching low-income children at all.

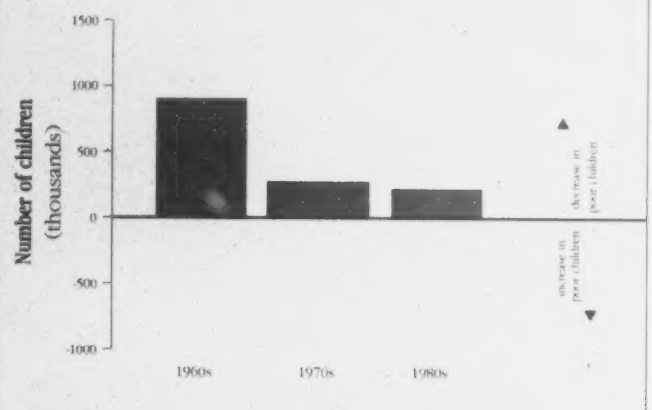
In short, the impact of economic cycles has changed. Now child poverty rates ratchet upward at ever-increasing speed with each successive cycle. For example, between 1979 and 1983 back-to-back recessions plunged 3.5 million children into poverty. Since then only one-third of that number of children have been lifted out of poverty by economic growth. As a result, a higher proportion of American children were poor in 1989 than in any year between 1966 and 1980, including the worst recession years of that period.

Some of the escalating damage to children caused by recessions can be explained by an increase in the proportion of female-headed families during this period. Such families typically have fewer full-time earners and are helped less by improvements in the overall economy. However, even when children in such families are excluded, the trend remains essentially the same — more and more children in married-couple families have been pushed into poverty by each successive economic cycle.

Of course, the current recession is likely to push child poverty rates even higher. If the pattern of the 1980s holds true in the 1990s, with four years of rising child poverty each adding 884,000 children to the poverty rolls, and six years of recovery each taking 220,000 children out of poverty, by the end of the decade 14.8 million U.S. children will live in poverty, at a poverty rate of 22.8 percent.

U.S. Secretary of the Treasury Nicholas Brady recently said that the prospect of a recession in 1991 was "no big deal." President Bush himself told the American people on television that after the 1981-1982 recession, "the economy recovered and everybody lived happily ever after." Yet for children the data tell a dramatically different story. Recessions have a crushing impact on America's children, pushing child poverty rates to new heights at such a rapid pace that many never recover. In the absence of strong interim measures to help families and pro-

EFFECT OF ECONOMIC RECOVERIES ON CHILDREN:
Average Number Coming Out of Poverty Per Year



EFFECT OF RECESSIONS ON CHILDREN:
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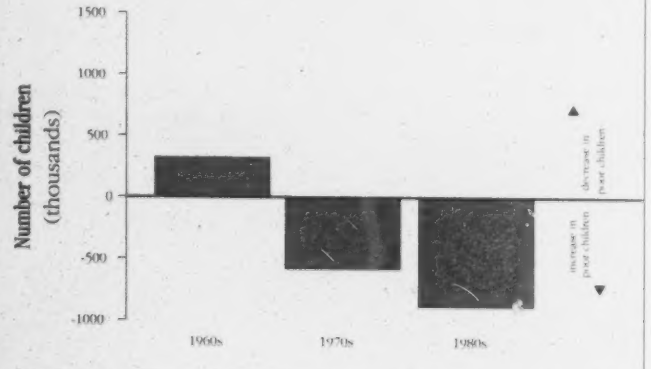


SOURCE: Census Bureau and Bureau of Economic Analysis. Calculations by the Children's Defense Fund.

tect children from deprivation and hardship, the 1990-1991 recession will be no different. And targeted interventions will continue to be needed to supplement economic growth strategies and bring down child poverty rates quickly and continuously throughout the decade.

Young Children in Poverty

Even more horrifying than the overall child poverty rates is the breadth and severity of poverty among very young children. Younger children are more vulnerable to developmental delay and damage caused by inadequate nutrition or health care or poor living conditions. Yet our nation lets its youngest, most defenseless and vulnerable citizens suffer most of all.

In 1989, when the poverty rate was 11.4 percent for the elderly, 10.2 percent for nonelderly adults, and 18.1 percent for children ages six through 17, the poverty rate for children younger than six was 22.5 percent. Nearly one-quarter of America's infants and preschoolers were in families that did not have enough income to meet their most basic needs. The normal development of these infants and preschoolers is being jeopardized by the nation's tolerance of these abnormally high poverty rates.

The bulk of the growth in child poverty during the 1980s was among young children. From 1979 to 1989 nearly 1.[illegible] million of the 2.2 million children added to the ranks of the poor were younger than six, and almost 1 million were in the first three years of life.

Young families — in which most young children live — have been hard hit by a series of economic and social upheavals in the 1970s and 1980s, the causes of which are presented elsewhere in this report (see pages 21-22). Millions of young families of all races and ethnic groups have become almost wholly detached from the economic mainstream, and their children are suffering terribly as a result. Among the most extraordinary evidence of that is the almost relentless *rise* in poverty among young children during the economic growth period of the 1980s. An additional 275,000 children younger than six fell into poverty between 1986 and 1989, with the number rising every year. By 1989 the poverty rate among these children was nearly 50 percent higher than in 1973.

Poverty Among Different Races and Ethnic Groups

The explosion of child poverty has been devastating for every race and ethnic group. Poverty rates always have been higher for black children (43.7 percent in 1989) than for white (14.8 percent) or Latino (36.2 percent) children. Yet white child poverty rates grew much faster than black child poverty rates during the 1980s, and Latino rates grew the fastest of all three groups (see Important Trends in Poverty Among Latino Children, page 8). Of the 2.2 million children who joined the ranks of the poor between 1979 and 1989, roughly half were Latino and nearly one-fifth were non-Latino whites. More than 1 million of these white and Latino children were younger than six.

Even if the black and Latino child poverty rates were as low as the white rate, the United States still would have one of the highest child poverty rates among western industrialized democracies.

In part because black children began the decade with far higher poverty rates than those for white children, poverty among them increased more slowly. Yet poverty rates among black children also rose substantially in the 1980s. And similar to white children, the growth in black child poverty was particularly rapid among children younger than six. With the further deterioration of the 1980s, poverty among very young black and Latino children has reached particularly devastating levels. Among children younger than six, half of all black children and two in five Latino children were poor in 1989.

INCREASE IN CHILD POVERTY BY RACE/ETHNIC GROUP

	Number of poor children, 1979	Increase in number of poor children, 1979-1989	% increase in number of poor children	Number of poor children, 1989
White	6,193,000	1,406,000	22.7%	7,599,000
Black	3,833,000	542,000	14.1	4,375,000
Latino*	1,535,000	1,068,000	69.6	2,603,000
Asian	165,000	203,000	123.0	368,000

* Federal data sources consider Latino (typically called Hispanic) an ethnicity, not a race. Therefore, many Latino children also are identified either as white or black. In this table Latino children actually are counted twice — once as Latino and a second time as either white or black. Roughly 95 percent of Latino children counted in the March 1990 Current Population Survey were identified as white. If Latino children were not also counted as white children in this chart, it would show that an estimated 400,000 non-Latino white children fell into poverty between 1979 and 1989.

SOURCE: Census Bureau. Calculations by the Children's Defense Fund.

Poverty and Family Structure

Children in female-headed families are five times as likely to be poor as those in married-couple families. While the great majority of married-couple families of all races and ethnic groups avoid poverty, more than half of all children (and nearly two-thirds of all children younger than six) in families headed by women are poor. Child poverty rates in families headed by women are very high regardless of race or ethnic group — 65 percent for blacks, 60 percent for Latinos, and 42 percent for whites. And for young single women with children who fail to complete high school, poverty is a virtual certainty. (See Poverty Rates Among Families with Children, page 10, for data on the interacting effects of family structure, education, and age on poverty rates among families with children.)

Slightly more than half of all poor children now live in female-headed families. But simply blaming the poverty problem on female-headed families — an increasingly common practice in some circles — is far too sim-

IMPORTANT TRENDS IN POVERTY AMONG LATINO CHILDREN

From 1979 to 1989 the number of poor Latino children increased by more than 1 million. Now 2.6 million Latino children — or more than one in three — are poor. Half of the increase occurred among Latino children younger than six.

The number of poor Latino children grew faster than that of other racial or ethnic groups, accounting for almost half of the total growth in the number of poor children in the United States since 1979. Because most Latino children also are identified by the federal government as white, the growing number of poor Latino children is responsible for much of the growth in the number of white children who are counted as poor in the official poverty data.

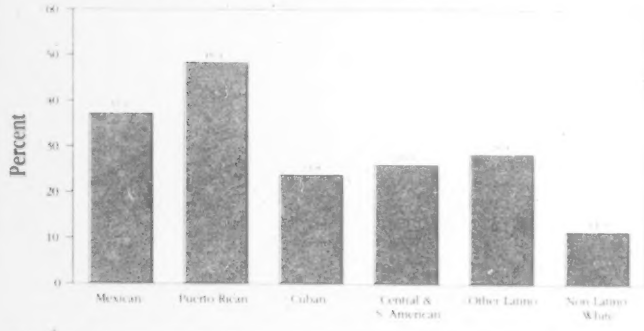
This increase in the number of poor Latino children reflects both higher poverty rates among Latino children and overall growth in the Latino population. More than two-fifths of the increase in the number of poor Latino children is due to a dramatic jump — from 28 percent in 1979 to 36 percent in 1989 — in the Latino child poverty rate. If the number of Latino children had remained at its 1979 level, higher child poverty rates alone would have pushed more than 450,000 additional Latino children into poverty. The rest of the increase is explained by an equally dramatic growth in the total Latino child population, about half of which was due to immigration.

Immigration has not been a significant factor in rising Latino child poverty rates. Two-thirds of all U.S. Latinos were born in the United States. Foreign-born Latinos do have somewhat higher poverty rates than those born in the United States, but their total numbers are too small to increase significantly the overall poverty rate of Latinos.

Even if there was no immigration, Latino child poverty rates still would be far higher than those for non-Latino white children. Latest available data from the 1980 Census show that Latinos born in the United States are much more likely than non-Latino whites to be poor. Among Mexican Americans, who account for nearly two-thirds of all Latinos in this country, the poverty rate for families headed by an individual born in the United States was 19.2 percent. In contrast, the poverty rate of non-Latino white families was 6.3 percent.

Latino parents are concentrated in jobs paying poverty-level wages and offering few benefits such as health insurance. Latino families with children and a householder working full time throughout the year had a poverty rate of 11.1 percent in

POVERTY RATES OF CHILDREN BY LATINO SUBGROUP, 1989



SOURCE: Census Bureau.

plistic and ignores both the struggles that two parent families increasingly face and the economic and social forces that have contributed to the demographic trend toward more single-parent families throughout the western world. Nearly 5 million American poor children lived in married-couple families in 1989. Even if there were no families headed by women in this country, the United States still would have one of the highest child poverty rates among all industrialized democracies.

1989. Only 3.5 percent of comparable white families and 9.2 percent of comparable black families remained poor despite such work efforts of the family head.

Living in a married-couple family also offers less of an escape from poverty for Latino children than for their white or black counterparts. One in four Latino children living in married-couple families was poor in 1989, compared with one in five black children and one in 15 non-Latino white children. These poverty rates for Latino children were much higher than for non-Latino whites even though the same proportion of household heads in poor Latino married-couple families with children worked.

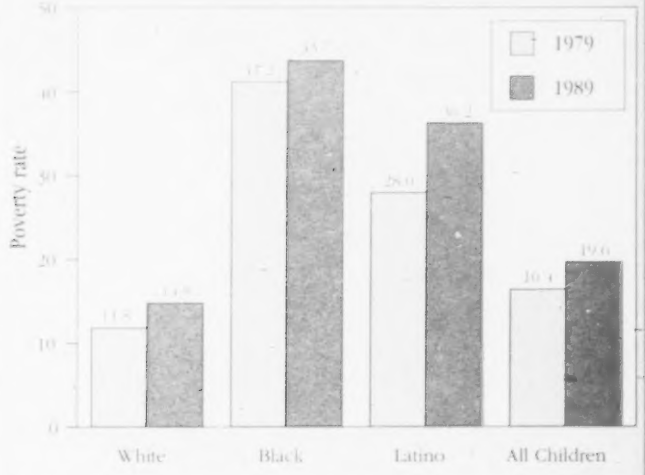
Like other groups, Latino female-headed families face extraordinarily high poverty rates — 64.3 percent of Latino children in these families are poor. Between 1979 and 1989 the proportion of Latino children who live in female-headed families jumped by one-third — a faster rate of increase than that for black or white children.

Among Latino subgroups, Puerto Rican children face the direst situation. Today, close to one-half (48.4 percent) of Puerto Rican children in the 50 states and the District of Columbia live in poverty. One-half of Puerto Rican children also live in female-headed families.

More than one-third (37.1 percent) of Mexican American children are poor. Poor Mexican American children are the most likely of any racial and ethnic group to live in married-couple families. The poverty rate of children in families of "other" Latino origin (which combines distinct groups such as Cuban, Central or South American, and other Spanish origin) is the lowest among the Latino subgroups (26 percent), although still higher than that of non-Latino white children.

POVERTY RATES OF CHILDREN BY RACE AND LATINO ORIGIN

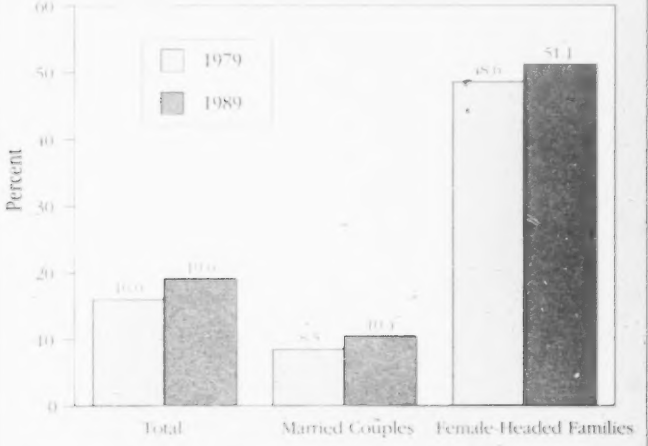
1979, 1989



SOURCE: Census Bureau

POVERTY RATES OF RELATED CHILDREN BY FAMILY TYPE

1979, 1989



Married Couples category includes a small number (4%) of single male-headed families.

SOURCE: Census Bureau

POVERTY RATES AMONG FAMILIES WITH CHILDREN BY FAMILY TYPE AND FAMILY HEAD'S AGE, RACE/ETHNICITY, AND EDUCATION, 1989

Married-couple families headed by high school graduates age 25 and older are by far the least likely of all families to be poor. Regardless of racial or ethnic group, families headed by women, high school dropouts, or persons younger than 25 face higher risks of living in poverty. When single parenthood, low educational attainment, and young parenthood are combined, the results in terms of family poverty rates are devastating.

	White	Black	Latino
Married-couple family headed by high school graduate age 25 and older	3.8%	7.2%	9.4%
Married-couple family headed by high school graduate under 25	11.2%	NA	26.9%
Married-couple family headed by high school dropout age 25 and older	20.2%	32.5%	28.4%
Female-headed family headed by high school graduate age 25 and older	24.9%	41.2%	41.8%
Married-couple family headed by high school dropout under age 25	33.4%	NA	48.6%
Female-headed family headed by high school graduate under age 25	58.6%	68.1%	NA
Female-headed family headed by high school dropout age 25 and older	58.6%	69.4%	66.6%
Female-headed family headed by high school dropout under age 25	84.6%	93.4%	NA

SOURCE: Census Bureau. Calculations by the Children's Defense Fund.

High school graduate includes those who have only a high school diploma or its equivalent as well as those who have completed one or more years of college.

The Census Bureau did not report data for black married-couple families or Latino female-headed families with a head younger than 25, with or without high school, because the sample sizes were too small.

Working Poor Families

Most poor families work. Nearly two of every three poor families with children in 1989 contained at least one worker, typically the household head. In many cases the workers were employed either part time or part year (or both). Yet nearly one in every five poor families with children had a household head who worked full time throughout the year but still could not earn enough to lift the family out of poverty. In addition, one in nine poor families with children was headed by an adult who was ill, disabled, or retired.

Overall, earnings from employment are by far the largest source of income for poor families with children. Total earned income for such families in 1989 was more than twice as great as the total amount of income they received through means-tested public assistance programs.

Poverty in Urban and Rural Communities

When many people think of poor children, they think of images from the nation's big cities: littered pavements, crowded tenements, boarded-up buildings. However, child poverty is not solely an urban phenomenon.

Poverty rates are indeed high for children living in central cities (the Census Bureau's term for the urban core of metropolitan areas — usually a city of 25,000 or more with work and commuting patterns typical of other major cities). Poverty in 1989 claimed 30 percent of all children living in such central cities, including more than one in five white children, more than two in five Latino children, and nearly half of all black children.

Yet there are more poor American children living *outside* central cities (6.9 million in 1989) than inside them (5.7 million). Poverty expert David Ellwood estimates that fewer than one in 10 poor people of any age live in the heavily impoverished ghettos of America's 100 largest cities.

Rural child poverty poses a particular problem. The child poverty rate is even higher in rural areas than in the rest of the nation (22 percent versus 19 percent for metropolitan areas overall). One of four poor children in the United States lives in rural areas. Rural children are more likely than children in metropolitan areas to be trapped in poverty for long-term spells of three years or more (1.5 times more likely, according to one study).

Rural areas also contain all of the 28 most severely impoverished counties in the nation, according to the last available county-by-county census (1980): counties in Appalachian Kentucky, on Sioux Indian reservations in South Dakota, along the Mexican border in Texas, and several counties in the Mississippi River Delta. In each of those 28 counties, more than half of all children were poor. Rural poverty is compounded by the lack of access to health care, government and programs, and other services.

Suburbs, the fastest growing portion of the country, have an even faster growing poverty problem. Suburban areas are typically more affluent and have much lower poverty rates than cities or rural areas, but a great many suburban children — 5.0 million — were nonetheless poor in 1989. More than one-fourth of all poor children in the United States live in the suburbs. The number of poor children living in suburbs soared 65 percent between 1975 and 1989, while the number in cities grew 41 percent and the number actually fell slightly in rural areas due to overall population loss.

Stereotypes of Child Poverty

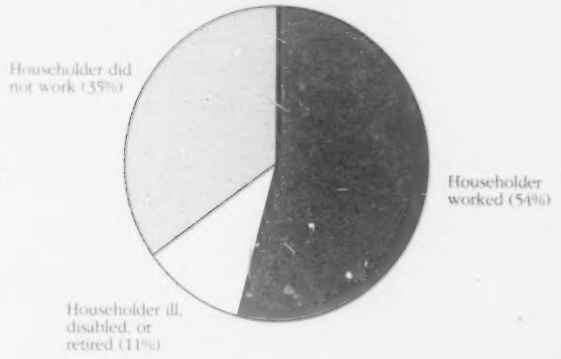
It often is difficult to understand why America tolerates such a high incidence of child poverty when it causes so much suffering, weakens the nation, and subverts our future. Part of the explanation may lie in many Americans' misunderstanding of the nature of child poverty, and particularly their inclination to see it as overwhelmingly the problem of poor urban black families on welfare — a problem that some Americans see as intractable and one for which they have little sympathy.

The problems of the urban poor — whether black, Latino, Native American, Asian, or white — are hardly intractable and must be addressed. Children mired in the deepest poverty and suffering the greatest isolation often need greater help than other poor children. But such help can be tailored and targeted appropriately only if it is based on an understanding of the true circumstances of these children and their families. To the extent that stereotypes present a distorted picture of child poverty in America or exaggerate persistent urban poverty as a share of the problem, they make the search for solutions more difficult.

The myths of child poverty as almost exclusively an urban, minority (and in the crudest form of the stereotype, black), single-parent, and non-working parent phenomenon, or as a problem primarily affecting families with large numbers of children, bear little resemblance to the facts.

- Only one third of poor children are black. A black child is more likely to be poor than is a white or Latino child, but poor white children outnumber poor black children because whites make up a much larger share of the total population.
- More than two in five poor children live in families in which the father is present. This is true even though children who live in female-headed families are far more likely than others to be poor.
- Most poor families with children have one or more workers. In many cases these workers only manage to work part time or for part of the year.

WORK STATUS OF HOUSEHOLDERS* HEADING FAMILIES WITH CHILDREN, 1989



*In all of these families, other members of the family may have worked.

SOURCE: Census Bureau.

CHILD POVERTY BY TYPE OF COMMUNITY, 1989

	Total number of U.S. children (millions)	Number of poor children (millions)	Poverty rate (percent)
Rural areas	14.8	3.2	22%
Metropolitan areas (overall)	49.4	9.4	19
Central cities	19.3	5.7	30
Suburbs	30.0	3.6	12

SOURCE: Census Bureau.

CHILD POVERTY STEREOTYPES ARE MISLEADING

	Total number of children	Proportion of poor children	Proportion of all children
All children in U.S.*	63,214,000	—	1 in 1
All poor children	11,998,000	1 in 1	1 in 5
Poor, black children	4,195,000	1 in 3	1 in 15
Poor, black children in female-headed family in central city	1,860,000	1 in 6	1 in 34
Poor, black children in female-headed family in central city, on AFDC	1,201,000	1 in 10	1 in 53
Poor, black children in female-headed family in central city, on AFDC, born to teenage mother**	272,000	1 in 44	1 in 232
Poor, black children in female-headed family in central city, on AFDC, born to teenage mother who did not work during previous year	216,000	1 in 56	1 in 293

* All data on children in this table include only those living with a parent or other relative; roughly 1.4 percent of all persons younger than 18 and fewer than 5 percent of all poor persons younger than 18 are living on their own or with unrelated individuals and are not included in these data.

** This total includes only children whose mothers were teens at the time of their birth. The total would be higher if all children whose mothers had their first child as a teen were included. At the same time, however, this total would be lower if only those children living in poor neighborhoods were included rather than all children living in central cities.

SOURCE: Census Bureau, Current Population Survey, March 1990. Calculations by Center for Labor Market Studies, Northeastern University.

CHILDREN LIVING IN FAMILIES WITH INCOMES BELOW 50 PERCENT OF POVERTY LINE, 1989*

	Children younger than 6	Children 6 – 17	Adults 18 – 64	Adults 65+
Total population (in thousands)	22,220	41,006	152,282	29,566
Number with incomes below 50% of poverty line (in thousands)	2,082	2,786	6,134	583
Proportion with incomes below 50% of poverty line	1 in 11	1 in 15	1 in 25	1 in 51

* Data include only children living with a parent or relative.

SOURCE: Census Bureau.

Yet nearly one in five poor families with children cannot escape poverty even though the head of household works full time throughout the year.

• Only a minority of poor children live in central cities. The majority live either in smaller cities, suburbs, or rural areas. Rural child poverty rates are above the national average.

• Nearly two-thirds of all poor families with children have only one or two children. Families headed by women have slightly fewer children on average than married-couple families with children.

When these facts are viewed together, it is evident that the stereotype is in fact the exception — and that the extreme stereotype is a rarity. At CDF's request, Northeastern University's Center for Labor Market Studies (CLMS) recently analyzed Census Bureau data to determine how many poor children are black, how many of those poor black children live in female-headed families in central cities, and so on (see Table, Child Poverty Stereotypes Are Misleading).

The results of the CLMS analysis demonstrate how misleading the stereotype is. In 1989 only one in 10 poor children in America was a poor black child living in a female-headed family on welfare in a central city. Only one in 44 was in such a family where the mother was a teenager when the child was born.

Reducing the stereotype to its crudest form — that child poverty is a phenomenon predominantly of black, urban, female-headed families on welfare where the mother had her baby as a teen and did not work during the previous year — shows that approximately 216,000 of the 63 million children in the United States (one out of every 293) fit this description in 1989. The stereotype was true for only one in 56 poor children.

None of this is to say that reducing urban poverty or preventing teen pregnancies should not be top national priorities, or that policy should not be directed at helping two-parent families form and remain together. It is to say that the poor are us — white, black, Latino, Native American, and Asian-American; urban, suburban, and rural; from working and unemployed families; born to teen parents and older parents; from single parents and married-couple families.

Children in Very Poor Families

Not only have more children become poor, but poor children now fall farther below the poverty line than they did in the 1970s. For a family of three in 1989, one-half the poverty line equaled just $4,943 a year, or $412 a month, far from adequate to sustain a family.

The number of such extremely poor children has soared since 1979, rising by more than 1.4 million. In the late 1970s, less than one-third of all poor children typically were in families with incomes below half the poverty line. By 1989, 4.9 million American children — more than two in five poor children — lived in such extreme poverty.

The nation's youngest children are most likely to live in very poor families. One in 11 children in America younger than six was in a family with income below half the poverty line in 1989. In contrast, only one in 51 elderly persons lived below this appallingly low level.

Rates of extreme poverty among minority children are astonishingly high. Nearly one-fourth of all black children and Puerto Rican children lived in families with incomes below half the poverty line in 1989. Only one in 23 white non-Latino children lived in such extreme poverty.

Impossible Choices Facing Poor Families

The federal government has an official definition of "poverty" — a family was poor in 1989 if its total income was less than $9,885 for a family of three and $12,675 for a family of four. The government first established poverty thresholds in 1965 to provide a measure of the minimum incomes necessary to survive and maintain a nutritionally adequate diet. They are adjusted each year for inflation.

In many respects these poverty thresholds are terribly outdated. Although the federal experts who originally designed the poverty thresholds recognized that they would need to be revised in response to changing household economies and rising living standards in the society as a whole, they have not been so revised. The official definition of poverty still is based on spending patterns from the mid-1950s.

Families now spend a far smaller share of their incomes on food and much larger proportions on housing and energy costs than they did in the 1950s. Three decades ago paid child care was a rarity and women's unpaid work in the home more frequently obviated the need for many cash outlays in many families. Analysts who have examined these changing spending patterns argue that an up-to-date poverty line would be considerably higher. Patricia Ruggles of the Urban Institute estimates that an updated figure would have equalled $15,195 for a family of three in 1987, two-thirds higher than the official level that year.

Similarly, poverty thresholds are not adjusted to reflect rising living standards. As the nation grows more affluent, the common understanding of the standard for minimally acceptable living also rises, albeit not necessarily as fast. The official poverty line, however, ignores these changes in living standards and thus understates the extent of child poverty in America. As another result, life below the official poverty line is relatively harsher than it was a few decades ago and more isolated from that of middle-class Americans. For example, the poverty level in 1959 was equal to 57 percent of median family income. If that relationship had remained constant, the poverty line for a family of four in 1989 would have been $19,820 and the child poverty rate would have been more than 30 percent — one and a half times the official 1989 rate and higher than the 1959 child poverty rate of 27.3 percent.

Even accepting the official poverty line as an adequate gauge means that nearly 13 million children live below that line and do not have their most basic needs met. Poor families constantly must choose between paying the rent or the heating or electric bill, between buying food or replacing children's worn-out shoes, between keeping up with doctors' bills or fixing the car that is needed to go to and from work. For many poor families, the squeeze and the competing demands, the constant slicing of pieces of a too-tiny pie, make minimally adequate nutrition, clothing, shelter, and medical care an impossibility.

Unable to Make Ends Meet

The cost of just two basic necessities — food and shelter illustrates the dilemmas that poor families face. In 1989 a low-income family of three (a mother with children ages seven and 10) needed $309 per month, according to U.S. Department of Agriculture estimates, to purchase the basic foods that would provide a nutritionally adequate diet over the long term. At the same time, rent and utilities for a modest two-bedroom apartment, as estimated on a national basis by the U.S. Department of Housing and Urban Development, cost $482 per month in 1989.

Taken together, these expenses for just food and shelter would consume virtually all of the income available to a family of three at the poverty line. Such a family would have $33 left over for *all* other expenses, including bus or car expenses needed for transportation, health care and child care costs, telephone, furniture, clothes, insurance, school expenses, books or newspapers, personal toiletries, and cleaning and other household supplies — items that cost the average low- or moderate-income household hundreds of dollars every month. Even a subset of these costs totals $446 per month for the average low-income household, according to the government, many-times the amount a family at the poverty line would have left over after paying for food and shelter. And this list omits other large possible expenses such as child care. For poor families that must pay for child care, these costs alone averaged about $165 per month in 1989.

These costs pose impossible choices even for families with incomes at the poverty line. Yet poor families do not have incomes *at* the poverty line. They have incomes *below* — and in many cases far below — the poverty line. The *average* poor family with children in 1989 had a monthly income of $588 — *more than $400 a month below the poverty threshold*. Two in five poor children (41 percent) lived in families with incomes of less than *half* the poverty line.

How do poor families manage with incomes so low? Some get additional help paying for food and rent from food stamp and housing assistance programs. Yet more than one-third of all poor families do not get food stamps and about three-fourths do not get any type of housing assistance. The average poor family with children got only $141 worth of food and housing benefits per month in 1989, hardly enough to make up the shortfall.

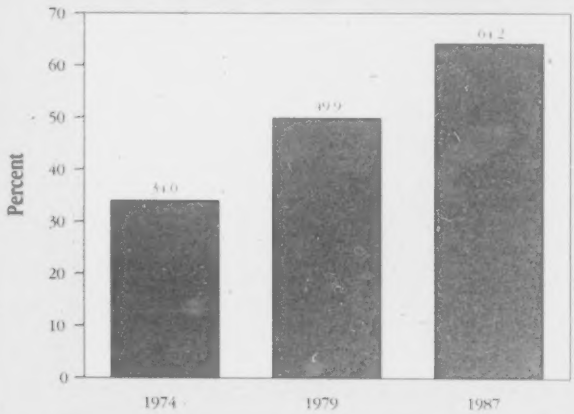
Many poor families manage by cutting back on food, jeopardizing their health and the development of their children, or by living in substandard and sometimes dangerous housing. Some do without heat, electricity, telephone service, or plumbing for months or years. Many do without health insurance, health care, safe child care, or reliable transportation to take them to or from work. Some borrow money if they can. Some beg. Some have small amounts of

EXPENDITURES BY POOR FAMILIES

The national average "fair market rent" for a modest, two-bedroom apartment in 1989, as estimated by the U.S. Department of Housing and Urban Development, was more than half of the monthly income for a family of three at the poverty line. But do poor families really end up paying such a large share of their incomes to keep a roof over their heads?

Unfortunately, the answer is yes. In 1987 (the latest year for which data are available), nearly two-thirds of all poor families with children spent more than half of their income on housing. The proportion of poor families paying such an overwhelming share of their incomes for housing nearly doubled from 1973 to 1987.

PERCENT OF POOR FAMILIES WITH CHILDREN THAT SPEND MORE THAN HALF OF THEIR INCOME ON HOUSING



SOURCE: American Housing Survey. Calculations by Center for Labor Market Studies, Northeastern University

unreported income or feel compelled to engage in illegal activities. Yet any of these steps, while perhaps helping poor families make ends meet, carry serious threats to the health, development, and well-being of their children and in some cases to the family's integrity and the nation's social fabric, as well.

Recent findings from the Community Childhood Hunger Identification Project (CCHIP) document that these threats to children are all too real. The CCHIP report, sponsored by the Food Research and Action Center and based on door-to-door surveys, projected that 5.5 million American children younger than 12 — one in every eight in this age group — are hungry (as indicated by affirmative answers to at least five of eight survey questions designed to indicate whether adults or children do not consistently get enough to eat or experience food shortages). An additional 6 million children were identified as being at risk of hunger.

Not surprisingly, CCHIP found that hunger among American children stems from the inadequate incomes of the families in which they live. Hungry families had average incomes of less than $10,000, roughly equal to the poverty line for a family of three in 1989 and one-fifth below the poverty line for a family of four. With such low incomes, these families spent an average of 55 percent of their gross incomes on housing costs. And despite spending most of what remained — nearly one-third of their gross incomes — on food, they were able to spend an average of only 68 cents per person per meal (less than 60 percent of what the U.S. Department of Agriculture estimated was necessary in 1990 for a long-term nutritionally adequate diet).

It is too easy for these numbers to slip by without a grasp of what they mean. Here is one perspective on what they mean: the United States is still one of the richest nations on earth, with the largest GNP and a per capita GNP higher than every nation except Switzerland, Norway, and Japan. The United States also is the most bountiful nation on earth, exporting $29 billion in food in 1989. Yet *one in eight American children* is suffering from hunger, according to CCHIP. More children are hungry in the United States than there are total children in such countries as Angola, Somalia, Haiti, Zimbabwe, El Salvador, or Cambodia — all countries where we rightly worry about widespread hunger and suffering among children. How can we defend our values when we let this happen despite per capita GNP that is 74 times Somalia's, 47 times Haiti's, or 21 times El Salvador's?

What Will Rogers said during the Depression remains frighteningly true today:

So here we are in a country with more wheat and more corn and more money in the bank and more cotton and more everything in the world, there's not a product that you can name that we haven't got more of than any other country ever had on the face of the earth, and yet we've got people starving.

The Disastrous Consequences of Child Poverty

Confronted with such impossible choices and lacking any cushion of savings and resources, both children and adults in poor families disproportionately suffer an erosion of their health, their hopes, their spirit, and their family togetherness. Many are just one illness, job loss, or family crisis away from homelessness, or family dissolution. The January 1991 issue of CDF's Child, Youth, and Family Futures Clearinghouse, *Homeless Families: Failed Policies and Young Victims*, provided vivid examples of how poverty can cause families to become homeless and children to be placed in foster care.

FAMILY NEEDS BEYOND FOOD AND SHELTER

Selected household expenditures	Average monthly expenditures of low-income*, three-person households, 1988-1989
Car upkeep/gas/public transportation	$142
Furniture/household equipment	48
Children's clothes	23
Adult clothes	39
Telephone	41
Health expenses	86
Housekeeping supplies	29
Educational expenses/reading	22
Insurance	16
Total	$446

*Income less than $20,000.

SOURCE: Bureau of Labor Statistics, Consumer Expenditure Survey. Calculations by the Children's Defense Fund.

For some children, the consequences of poverty can be deadly. Several years ago the Maine Health Bureau found that poor children were more than three times as likely as other children to die during childhood. State researchers examined the death certificates of all Maine children who died over a five-year period and found that poor children were at higher risk of disease-related deaths (3.5 times higher), accidental deaths (2.6 times higher), and homicide deaths (5.0 times higher). The Maine study applied its findings nationwide and estimated that 10,000 children die from poverty in the United States each year.

The vast majority of poor children do not die from poverty, but their health and development and eventual capabilities and productivity as workers, parents, and citizens often are damaged by the deprivations of growing up poor (see Poverty Damages Children's Health, page 22). From the earliest years of life to the verge of adulthood, poverty places its child victims at higher risk of a host of problems, many of which will follow them throughout their adult lives:

- Poor pregnant women are more likely than other women to have received late or no prenatal care and to deliver low-birthweight babies, who are more likely to be disabled or to die in infancy.
- Poor children are less likely to receive key building blocks of early development — adequate nutrition, decent medical care, a safe and secure environment, and access to early childhood development programs to supplement learning opportunities in the home.
- Poor children are far more likely to be hungry and those who are hungry are more likely to suffer fatigue, dizziness, irritability, headaches, ear infections, frequent colds, unwanted weight loss, inability to concentrate, and increased school absenteeism.
- Poor children are far more likely to fall behind in school — for example, 16-year-olds who have lived at least half their lives in poverty are twice as likely to have repeated at least one grade as those whose families have never been poor. The U.S. Department of Education found that, even for students from families with similar current incomes, those who had spent more years in poverty were significantly more likely to fall behind grade level.
- Poor teenagers are four times more likely than nonpoor teens to have below-average basic academic skills.
- Poor teenagers, regardless of their race, are nearly three times more likely to drop out of school than nonpoor teenagers.
- Teenage women who are poor and who have below-average basic skills, regardless of their race, are five and a half times more likely to have children than nonpoor teenage women with average or better basic skills.

In all of these critical areas — early health and development, nutrition, educational achievement, and teenage pregnancy — poverty creates major roadblocks to individual accomplishment, economic self-sufficiency, and national progress.

Data on the impact of poverty easily can become a meaningless abstraction. But growing up poor in America today has a very concrete meaning:

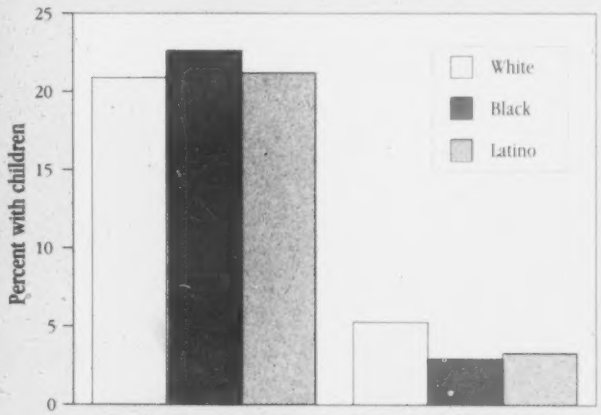
I was asked to tell you what it's like to live in a single-parent home with no money.

Sometimes it's said because I feel different from other kids. For instance, when other kids get to go to fun places and I can't because I don't have enough money and they do.

Most of my friends get an allowance but I don't

POVERTY, SKILLS, AND MOTHERHOOD

Percent of 16- to 19-Year-Old Mothers by Race/Ethnicity, Poverty, and Basic Skills Level



SOURCE: National Longitudinal Survey, 1981. Calculations by Center for Labor Market Studies, Northeastern University.

because my mom doesn't have enough money to pay me. They get to get the things that they want and need and I don't.

The other day in school we had this balloon contest, and it only cost one dollar and out of three years I haven't been able to get one.

Me and my brother are a little hard on shoes. This summer the only shoes we had were thongs and when church time came, the only shoes we had to wear were one pair of church shoes. The one that got them first got to wear them. The one that didn't had to wear a pair of my mom's tennis shoes or my sister's.

Sometimes I pray that I won't be poor no more and sometimes I sit up at night and cry. But it didn't change anything. Crying just helps the hurt and the pain. It doesn't change anything.

One day, I asked my mom why the kids always tease me and she said because they don't understand, but I do understand about being on welfare and being poor, and it can hurt.

Shawn, 10 years old.

Forces Fueling the Growth of Child Poverty

The forces that contributed to the growth of child poverty in the 1970s and 1980s — including profound changes in the economic structure and social fabric of America — are different from those that caused deprivation in previous generations. But the opportunities to eliminate child poverty in the 1990s also are new and more promising than ever before. In contrast to earlier eras when larger segments of the American population faced hard times and meager comforts, the nation now has the resources and ability to conquer child poverty that persists amidst broader affluence, if it chooses to do so.

High and rising child poverty rates are not inevitable. But eradicating child poverty requires a clearer understanding of the forces that have emerged to drive its growth in the 1970s and 1980s.

The figure on page 18 provides a simple breakdown of the various factors fueling the increase in the poverty rate of families with children in the past decade and their relative importance. The declining effectiveness of government income programs in bringing families up above the poverty line accounted for nearly half of the increase in the poverty rate among families with children. Changes in the job market that increased unemployment or lowered earnings and left more workers unable to support their families were responsible for almost one-third. Increases in the proportion of children living in single-parent families were the third but relatively smallest major force, contributing about one-fourth of the increase in the poverty rate of families with children. All of these trends have hurt children, especially those in young families.

Declining Earnings in a Changing Economy

Much of today's child poverty reflects America's failure to respond and adapt to new economic realities in a post-industrial era. The extraordinary growth and opportunity following World War II created a period during which one parent with limited formal education or training often could earn enough in a job on the factory floor to support a family. That era is all but gone. In the 1990s few workers with little education, even if they are willing to tolerate harsh factory conditions, can find decent-paying jobs in the manufacturing industries. As manufacturing jobs continue to disappear, those newly created jobs in

CHILD HUNGER

Every night it's the same old thing. We go to the church for dinner, walk home to our one bedroom apartment and go in bed for a night full of bad dreams. In the morning we walk around town looking for food in garbage cans. We find cereal boxes with a little cereal left in it and a rotten apple. At six o'clock we start walking to the church for our dinner. I made a poem that expresses my feelings about the way my day crawls by:

Cereal and a rotten apple for breakfast
Nothing for lunch
A dinner at the Baptist church
And that's the way my day goes by.

Cathy, a fifth-grader
from New Mexico

the service sector that are unskilled or low-skilled typically pay considerably lower wages and are less likely to provide medical insurance and decent fringe benefits. The better-paying service economy careers demand advanced education and strong basic academic skills. Those who lack these credentials — regardless of how hard they work — are more and more likely to be paid wages too low to support a family.

Many Americans without advanced education or training realize that they are in a fierce struggle to hold their economic ground but do not understand why. The simple answer is that their earnings have not kept pace with the cost of living. It is more and more common to work full time yet still be poor.

The average weekly earnings of nonsupervisory workers dropped by 19 percent between 1973 and 1990. Young workers have been particularly hard hit. For example, the median wages for men younger than 25 and paid on an hourly basis fell by 29 percent between 1973 and 1989.

Workers without postsecondary education suffered the sharpest losses. For example, the average annual earnings of recent high school dropouts (male and female) fell by 27 percent between 1973 and 1987. Even the earnings of high school graduates without college education fell by 14 percent during this period.

Government inaction contributed to the trend toward declining earnings. The federal minimum wage remained frozen at $3.35 per hour throughout the 1980s and lost more than one-fourth of its purchasing power to inflation. Congress increased the wage to $3.80 in April 1990 and $4.25 in April 1991, but these long overdue increases recaptured only a portion of the ground lost during the preceding decade. Even after these increases the minimum wage will be worth less than 80 percent of its real 1979 value. As a result, the minimum wage earnings in a full-time, year-round job ($8,840) are well below the amount needed to put a three-person family above the poverty line (an estimated $10,723 in 1991).

Without the wage floor provided by appropriate inflation adjustments in the minimum wage, the proportion of workers earning too little to support even a small family through full-time, year-round work soared during the 1980s. Between 1979 and 1989, the proportion of hourly workers who were being paid wage rates too low to lift a family of three out of poverty increased by more than one-half. By 1989 nearly one-half of all hourly workers younger than 25 and one in six older workers were paid such inadequate wages. (See figure on page 20.)

The minimum wage is not the only area in which the government failed to craft affirmative and effective policies to provide an effective response to new economic realities. Tax, fiscal, and social policies have shortchanged both capital and human investments that would increase productivity and real wages. Despite the growing importance of advanced education and training for success in the labor market, the federal government particularly reduced its investments in this critical area over the course of the decade.

Faced with the rapid downward slope in earnings, many married-couple families tried to regain some measure of economic security either by postponing childbearing or by sending both adults into the paid labor force, or both. Additional hours and weeks of work by women since 1979 have substantially offset the impact of reduced earnings for low- and moderate-income families headed by married couples, and yielded net gains for higher income families.

But there are obvious limits to a prescription for economic survival that attempts to offset earnings losses by postponing childbearing, increasing the work effort of parents, and in many cases requiring two full-time jobs for economic security. Women (including, contrary to the stereotype, poor women) already are having substantially fewer children than

SOURCES OF THE INCREASE IN POVERTY RATES FOR FAMILIES WITH CHILDREN, 1979-1987

Declining effectiveness of government programs in pulling families out of poverty 42%
Economic changes 31%
Rising proportion of female-headed families 27%

SOURCE: Census Bureau. Calculations by the Children's Defense Fund.

they did two decades ago. Beyond a certain point, however, fewer children, lower wages, and excessive hours of work become a recipe for family disintegration and social disaster rather than economic success. This is especially true given the glacial pace of workplace response to the needs of families for family leave, adequate child care, and other family-supporting policies.

Growth in Single-Parent Families

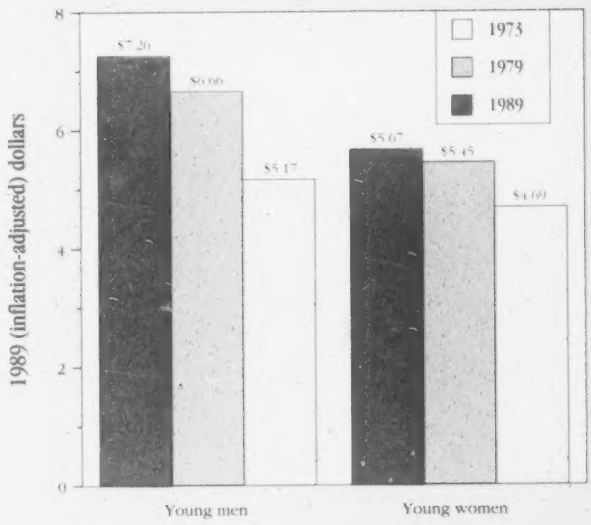
The number of American children living in female-headed families during the past three decades has increased dramatically. In 1959, 91 percent of all children lived in a family headed by a married couple (or in a few cases a single man, which the Census Bureau formerly lumped in with married couples); in 1979 it was 81 percent; by 1989 only 79 percent did so.

As the proportion of children in female-headed families has grown, the child poverty rate has surged higher. Such families are far more likely to be poor than are married-couple families — there is only one potential wage earner, women generally earn less than men, and child support by absent fathers too often is small in theory and paid sporadically or not at all in practice. As a result, an increase in the proportion of families that are headed by women by itself generates more child poverty.

During the 1970s this demographic shift was the dominant force pushing child poverty upward. However, as discussed previously, this shift played a more modest role in increases in the child poverty rate during the 1980s. In fact, child poverty rates from 1979 to 1989 rose at a faster pace for married-couple families, whether white, black, or Latino, than for female-headed families.

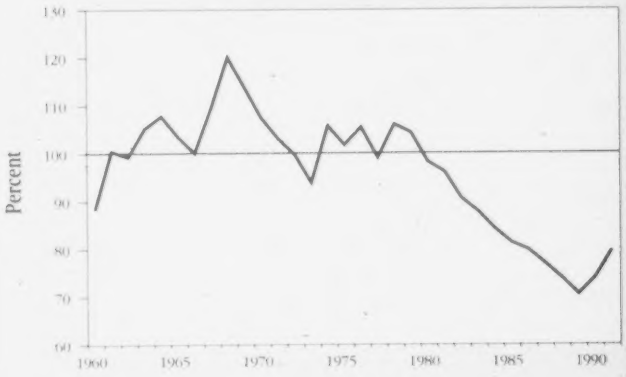
The growth of single-parent families has been driven in part by sweeping social changes that have affected every western industrialized society. This trend is not just a matter of changing social mores or individual choices about marriage — it also reflects discouraging economic realities. As Benjamin Franklin wrote more than two centuries ago, "The number of marriages...is greater in proportion to the ease and convenience of supporting a family. When families can be easily supported, more persons marry, and earlier in life." Attempts to place blame solely on young adults' behavior for the rise in single-parent families and family poverty overlook

MEDIAN HOURLY EARNINGS OF WORKERS PAID HOURLY RATES, YOUNGER THAN 25 1973,1979,1989



SOURCE: Bureau of Labor Statistics

MINIMUM WAGE AS PERCENT OF THE POVERTY LINE FOR A FAMILY OF THREE 1960-1991



(Annual minimum wage earnings from full-time, year-round work.)

the many ways in which economic pressures help shape the decisions they make.

The declining earnings of young men since 1973 have contributed substantially to falling marriage rates. Data suggest that young men in their twenties who earn enough to support a small family above the poverty line are consistently three to four times more likely to be married than those without such adequate earnings. As the proportion of young men earning more than the three-person poverty line plummeted after 1973, marriage rates among young men also dropped precipitously. Since birth rates did not drop nearly as much, there were many more out-of-wedlock births and single-parent families. According to analyses by Andrew Sum of the Center for Labor Market Studies at Northeastern University, at least one-quarter of the declines in marriage rates for young black men and young men who lack high school diplomas can be explained by the dwindling share of such young men who earn enough to support a family.

The relationship between employment prospects and marriage rates for young black men has been presented most forcefully by William Julius Wilson, professor of sociology at the University of Chicago. Wilson analyzed changes over time in the ratio of employed civilian black men to women in the same age group and concluded there was "a long-term decline in the proportion of black men, and particularly young black men, who are in a position to support a family." According to Wilson:

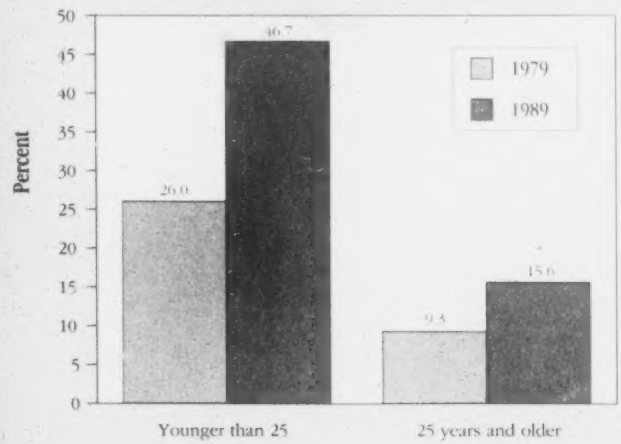
The black delay in marriage and the lower rate of remarriage...can be directly tied to the employment status of black males. Indeed, black women, especially young black women, are confronting a shrinking pool of "marriageable" (that is, economically stable) men.

Some analysts argue that researchers like Wilson and Sum overstate the impact of these economic trends on marriage rates. But common sense suggests that the employment and earnings of young workers have played a role in shaping their ability and willingness to assume the traditional roles and responsibilities of marriage.

The absence of two parents who are potentially available for work is one obvious reason why children in single-parent families are far more likely to be poor than those in two-parent families. Single-parent families do not have the option of sending a second spouse into the labor market to increase their incomes, leaving them less likely to be able to avoid the impact of falling real wages and declining earnings. Yet that's not the whole story: The child care problems of single parents make holding full-time work or sometimes any work at all more difficult; the very low wages earned by women without advanced education or training make high poverty rates almost a certainty for many female-headed families; and weak child support enforcement efforts in most states leave many single mothers with little chance of gaining financial help from absent fathers to lift their children out of poverty.

Compared with this country's international competitors, the United States is much less successful in helping female-headed families secure an adequate income. Child poverty rates for single-parent families in the United States are far higher than in other countries studied — Germany, Great Britain, Norway, Sweden, Switzerland, or even Canada. And the astonishingly high U.S. child poverty rates relative to other nations cannot be dismissed merely by pointing to the greater proportion of U.S. children who live in single-parent families. Even if demographic structures were uniform, U.S. child poverty rates still would be one-and-a-half to three times higher than those in Western Europe and Canada.

PROPORTION OF HOURLY WORKERS PAID WAGES BELOW THE THREE-PERSON POVERTY LEVEL 1979,1989



SOURCE: Bureau of Labor Statistics.

Young Families with Children Face an Economic Disaster

Falling earnings, declining marriage rates, more out-of-wedlock births, and more families headed by single parents have hurt children, especially those in America's young families. The inflation-adjusted median income for young families (those headed by persons younger than 30) with children dropped by nearly one-fourth between 1973 and 1987. While the median income for young black families during the 1960s and 1970s was well above the federal poverty threshold for a family of four, in 1987 *more than half* of all young black families had incomes *below* this poverty threshold.

As a result of these income drops, the poverty rate for young families with children nearly doubled, jumping from 16 percent in 1973 to 30 percent in 1987. Roughly three-fourths of this increase occurred during the 1980s.

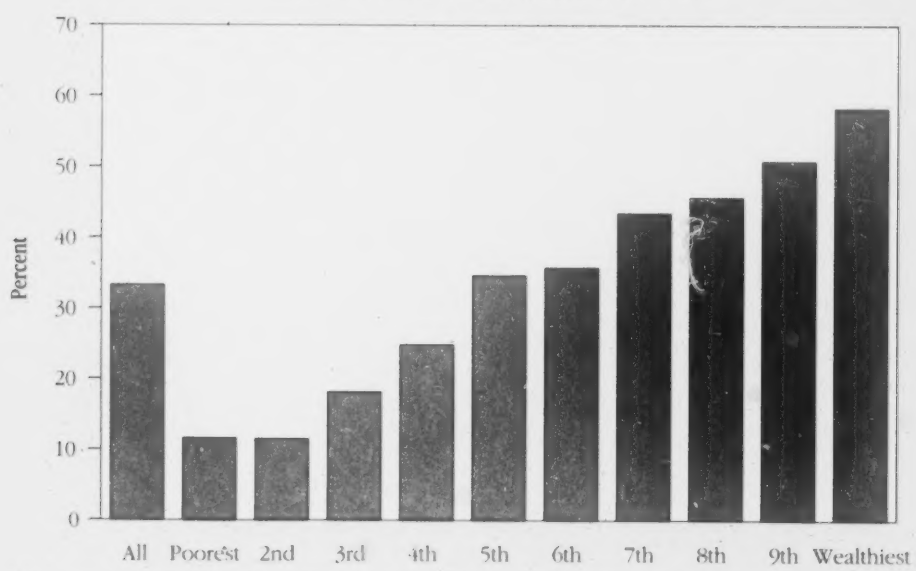
More than one in three children living in young families is now poor, and young families contain one-third of all poor children in America. As noted earlier, the economic plight of young families accounts for most of the particularly sharp increases in poverty among children younger than six.

The Government's Diminishing Response

When earnings from employment fall short of providing families and children with sufficient income to meet their basic needs, and when members of the extended family cannot help enough, families turn to their communities and the broader society for help. Some help comes from private charity and state and local programs. But increasingly throughout American history the federal government, frequently in partnership with the states, has assumed responsibility for helping otherwise destitute Americans maintain a minimally decent standard of living. Through Social Security, veterans' benefits, unemployment insurance, and other programs, the government seeks to mitigate the worst results of the death, disability, or desertion of parents; unemployment; and other vicissitudes of life.

Part of this federal effort is a mix of often unrelated programs and policies designed to help families support children. To raise the earnings of parents, the minimum wage places a floor beneath earnings. The Earned Income Credit and other tax-based help for families with children supplement this. When parents lose their jobs or are unable to

MARRIAGE RATES OF 20- TO 29-YEAR-OLD MALES, BY INCOME DISTRIBUTION IN DECILES, U.S., MARCH 1990



SOURCE: Census Bureau, Current Population Survey. Calculations by Center for Labor Market Studies, Northeastern University.

work, unemployment insurance and Aid to Families with Dependent Children (AFDC) can provide alternative means of support until parents can re-enter the labor market and find employment. In instances when parents are living separately, the federal government seeks to ensure that states collect child support payments from absent parents to help meet the needs of children. Finally, children with elderly, deceased, or disabled parents often are eligible for Social Security benefits, and parents or children with disabilities in many cases can qualify for Supplemental Security Income (SSI) benefits.

Even at the beginning of the 1980s, the help provided by these government programs was far from adequate, failing to reach some children at all and leaving many more trapped in poverty with incomes well below what was necessary to purchase basic necessities. Yet during the 1980s federal and state budget cuts opened large new holes in this "safety net," weakening the help provided to children through Social Security, unemployment insurance, and other social insurance programs as well as welfare and other means-tested programs. For example, only about one-third of all jobless workers, and fewer than one in five workers younger than 35, currently receive unemployment benefits. These figures represent sharp reductions from levels of receipt in the 1970s, partly because of federal and state efforts in the early 1980s to restrict eligibility. The inflation-adjusted median AFDC benefit level for a family of three fell by 39 percent between 1970 and 1990 (see AFDC's Safety Net for Poor Families Has Unraveled, page 25). Reductions in food stamp benefits, housing assistance, and other in-kind assistance further hurt poor families with children.

Since living below the poverty line by definition leaves a family without the means to meet its most basic needs, the extent to which government help lifts families out of poverty is a good indication of the quality of public efforts to provide minimal decency for children and families. However, the effec-

POVERTY DAMAGES CHILDREN'S HEALTH

Health disparities between poor people and those with higher incomes are almost universal for all dimensions of health. Those disparities may be summarized by the finding that people with low income have death rates that are twice the rates for people with incomes above the poverty level.

For virtually all of the chronic diseases that lead the Nation's list of killers, low income is a special risk factor....Similar vulnerability for low income people is found with some causes of traumatic injury and death....Injuries and deaths among children from fires, drowning, and suffocation are strongly related to low socioeconomic status.

No single indicator of health status makes the connection between poverty and poor health more clearly than does infant mortality. Poor pregnancy outcomes including prematurity, low birth weight, birth defects, and infant death are linked to low income, low educational level, low occupational status, and other indicators of social and economic disadvantage.

Poverty reduces a person's prospects for long life by increasing the chances of infant death, chronic disease, and traumatic death; poverty is also often associated with significant developmental limitations....Growth retardation affects 16 percent of low income children younger than six. In the mid-1980s, an estimated 3 million children, virtually all of them from low income families, had blood lead levels...sufficient to place them at risk for impaired mental and physical development....Poor children experience more sickness from infection and other debilitating conditions than the total population.

Healthy People 2000: National Health Promotion and Disease Prevention Objectives, U.S. Department of Health and Human Services, Public Health Service, 1990.

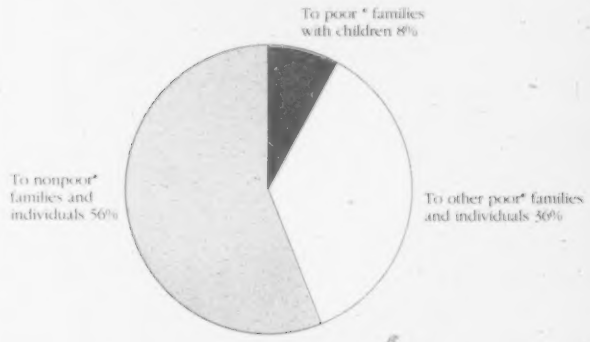
tiveness of government cash income programs (including programs such as Social Security, SSI, AFDC, and unemployment insurance as well as state or local public assistance) in lifting families with children out of poverty declined sharply during the 1980s. Economic and social changes pushed poor families' earnings even further below the poverty threshold, and government retrenchment undermined the already limited ability of programs to provide adequate supplements to pull families' incomes back up.

In 1979 one in five families with children that would have been poor without government help escaped poverty with the aid of government cash payments. Four out of five remained in poverty. By 1987, however, only half as many (one in 10) of otherwise poor families with children were lifted from poverty by such government programs — nine out of 10 were left behind. Since 1987 the federal government has changed the way it calculates the effectiveness of government income transfers, so these numbers cannot be updated consistently to 1989. Some recent data suggest there have been improvement in those two years, but these gains almost certainly fall far short of reversing earlier reductions in anti-poverty effectiveness since 1979.

Why does government aid lift so few families with children out of poverty at a time when most Americans believe that vast sums are spent on federal programs for the poor? One partial reason is that in-kind benefits (like food stamps) are not counted as income in these calculations. But far more important is that more than half of all government cash payments go to nonpoor families. Only $1 in every $12 of income transfers in 1987 went to families with children that were poor or would have been poor in the absence of government help. This distribution is not the result of errors or abuse, but rather reflects conscious policy choices. With large portions of government assistance channeled to individuals through Social Security, unemployment insurance, and other programs in which eligibility is not based on income, only a small fraction of total income transfers ends up going to poor children.

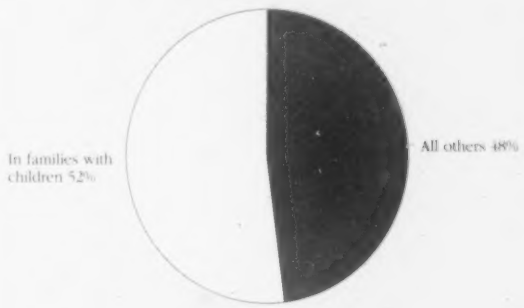
Government transfer programs also provide vastly different levels of help to different groups of poor Americans. Families with children, and particularly those with young children and those headed by young adults, are among the least likely to re-

DISTRIBUTION OF ALL GOVERNMENT CASH BENEFITS, 1987

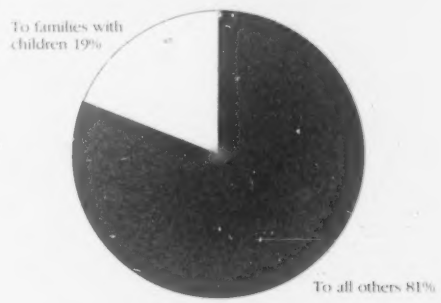


SOURCE: Census Bureau. Calculations by the Children's Defense Fund.

POOR* PERSONS, 1987



GOVERNMENT CASH BENEFITS TO POOR* PERSONS, 1987



*In this chart, unlike most of this report, "poor" families and individuals include those who would be poor if one excluded their cash benefit income from programs like Social Security and AFDC (but who are lifted out of poverty by such benefits), as well as those who are officially poor (i.e., poor even when such payments are counted).

SOURCE: Census Bureau and U.S. House of Representatives, Committee on Ways and Means. Calculations by the Children's Defense Fund.

ceive adequate government assistance, no matter how great their need. For example, in 1987 members of families with children accounted for more than half of all persons who were poor before government cash payments were counted, yet these families received less than one-fifth of all cash assistance to otherwise poor Americans. As a result, only about 15 percent of all persons living in families with children were lifted out of poverty by social security, AFDC, unemployment insurance, and other transfer programs, compared with 55 percent of all persons not in families with children.

If poor families with children had received government transfer payments at the same per capita rate the rest of the otherwise poor population did, they would have received an additional $69 billion in aid in 1987 — nearly four times as much as they actually received and more than enough to lift all poor families with children out of poverty.

The most help to otherwise poor individuals and families goes to those who are 65 and older. Three of four elderly Americans who would have been poor without income transfers received enough government aid to raise them above the poverty line in 1989, compared with one in 10 otherwise poor children younger than six.

The anti-poverty effectiveness of current programs also varies by race or ethnic group and family type. Poor white children are nearly twice as likely to be lifted out of poverty as black and Latino children. Similarly, married-couple families with children are nearly twice as likely to be lifted from poverty as those headed by women.

Proportion of Otherwise Poor Children and Families Lifted Out of Poverty by Government Transfers, by Race, Ethnicity, and Family Type, 1989

Children:	
White	14.0%
Black	8.6%
Latino	8.8%
Families with children:	
Married-couple	19.8%
Female-headed	11.9%

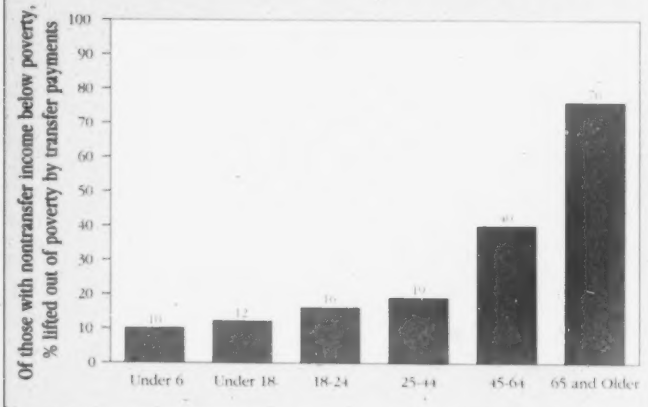
The declining effectiveness of government transfers in part results from families' falling earned incomes, which left them farther below the poverty threshold and therefore less likely to be able to attain above-poverty incomes even with government help. Yet by far the most important reason anti-poverty efforts are less effective is that federal, state, and local transfer spending per poor family has dropped sharply. Between 1979 and 1987 transfer spending for each otherwise poor family with children fell by 21 percent.

In many cases, these losses were the direct result of government decisions to narrow eligibility or reduce benefits. For example, most social security and AFDC benefits for college students were eliminated, and the federal government increased the share of AFDC that families lost as their earnings rose. The failure of federal and state governments to ensure that transfer payments kept pace with inflation also contributed to these declines — most notably, the huge drop in AFDC benefit levels during the 1970s and 1980s.

The declines in help in other instances stemmed from the government's failure to adjust the programs to suit the times — to compensate more adequately for the underlying economic changes that increased poverty among families with children. New workplace patterns and economic realities undercut the effectiveness of many older federal policies. Because jobs in the service sector are more likely to be part time or temporary, it is harder for workers to qualify for unemployment benefits, yet eligibility

(continued on page 27)

ANTIPOVERTY EFFECTIVENESS OF GOVERNMENT CASH BENEFITS BY AGE, 1989



SOURCE: Census Bureau. Calculations by the Children's Defense Fund

AFDC'S SAFETY NET FOR POOR FAMILIES HAS UNRAVELED

Aid to Families with Dependent Children (AFDC), the main federal–state income support for poor families with children, was designed to be a safety net for children deprived of parental support due to the death, illness, incapacity, or absence of a parent. But AFDC benefits are woefully inadequate. In January 1990 the median state's maximum AFDC benefit for a family of three without other income was only $364 per month, 44 percent of the federal poverty level. Even with the maximum food stamp allowance, that family's income was still only 73 percent of the poverty level. In five states (Alabama, Louisiana, Texas, Mississippi, and Tennessee) the AFDC grant for a three-person family was less than $200 per month.

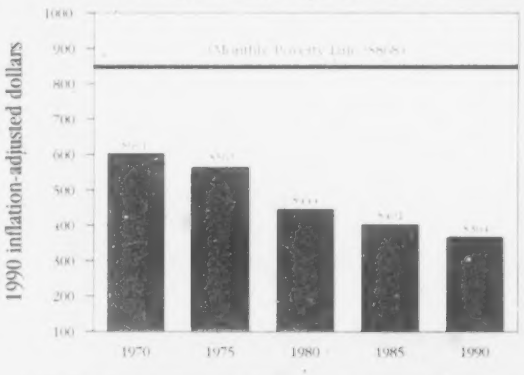
AFDC has never lived up to its promise of providing a minimally adequate income. But during the past 20 years the real value of AFDC benefit levels has plunged by 39 percent. Between 1970 and 1990, AFDC benefits kept pace with inflation in only two states, Maine and California. In eight states, inflation-adjusted benefits fell by more than 50 percent. If trends over the past two decades continue, by the end of this decade the AFDC benefits in a majority of states will fall to less than half their 1970 levels. (See AFDC Benefits table in Appendix for state-by-state data.)

This erosion of AFDC benefits is even more disturbing because it occurred during a period when the national economy grew considerably, making the nation as a whole better off. Yet these broader economic gains simply increased the gap between AFDC recipients and the rest of the population. For example, the maximum per person AFDC benefit in the median state in 1970 was equal to 14.9 percent of the nation's per capita GNP, but by 1989 the median had plummeted to only 6.8 percent of per capita GNP.

Not only have AFDC grants shrunk in value in the past two decades, but eligibility criteria also have tightened. In 1973 AFDC benefits were provided to 81 children for every 100 poor children. By 1989 AFDC benefits reached only 58 children for every 100 poor children.

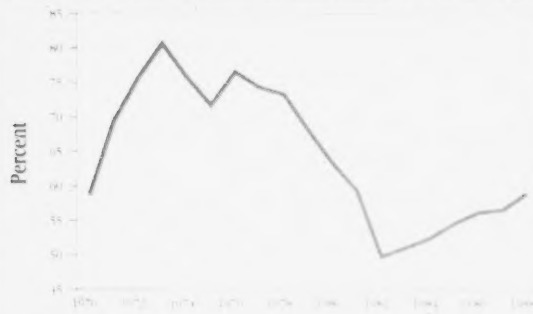
MEDIAN STATE AFDC GRANT FOR A FAMILY OF THREE WITH NO OTHER INCOME

(in 1990 inflation-adjusted dollars)



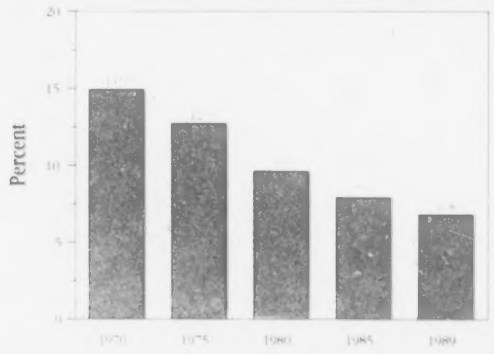
SOURCE: U.S. House of Representatives, Committee on Ways and Means.

RATIO OF CHILDREN WHO RECEIVE AFDC TO ALL POOR CHILDREN, 1970-1989



SOURCE: U.S. House of Representatives, Committee on Ways and Means.

MEDIAN AFDC BENEFIT PER PERSON AS PERCENTAGE OF PER PERSON GNP



SOURCE: U.S. House of Representatives, Committee on Ways and Means.

LEADING THE INDUSTRIALIZED WORLD IN CHILD POVERTY

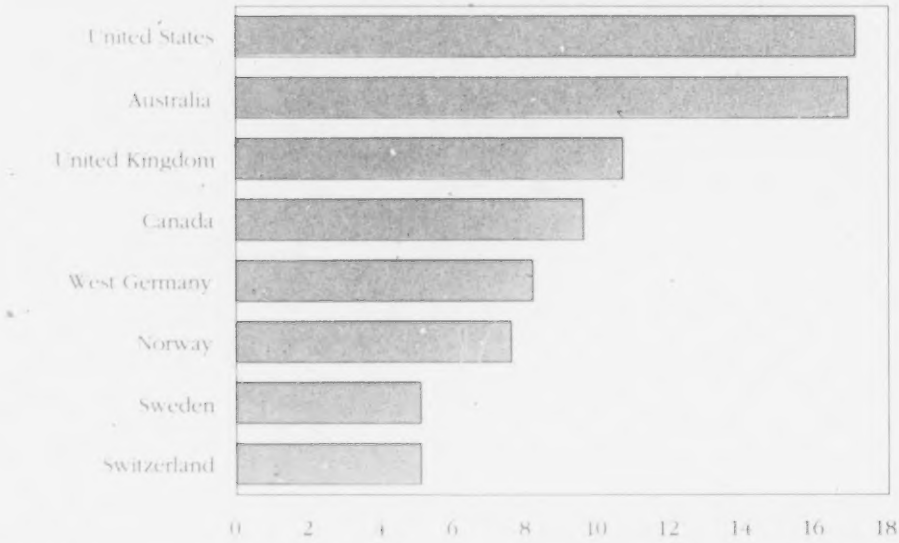
The pervasiveness of child poverty in an otherwise affluent America is astonishing. The costs of poverty are clear. Hungry, unhealthy, and poorly housed children will not do as well in school and will be more likely to fall into self-destructive and nonproductive activities as they grow up. In addition, child poverty is not a necessary price for a free market democracy — some unpleasant byproduct of economic growth or essential spur for parental productivity. Other wealthy industrialized, free market democracies of the world have lower (and usually far lower) child poverty rates than the United States. In a study of eight western democracies, the United States had the highest child poverty rate — two or three times higher than most of the other seven countries studied. More recent data covering five of the eight nations suggest the gap has widened further.

Other nations make much more substantial efforts to combat child poverty. For example, 67 nations provide some form of children's allowance — a monthly or weekly cash benefit to families to help meet the basic needs of every child, regardless of the income or work status of parents. In Europe such child allowances typically equal 5 to 10 percent of the median wage and may be higher for larger families. The United States has no comparable mechanism for bolstering the economic foundation of all families with children.

Similarly, most of Western Europe — including Germany, France, Great Britain, and Sweden — rely heavily on housing allowances to help low-income families meet their basic shelter needs. These countries, as well as others such as Canada and Israel, further strengthen the minimum floor for families by providing paid parental leave to offset income losses incurred by parents at the time of childbirth. The United States provides no guarantees of housing assistance or paid (or even unpaid) parental leave to families who need such supports.

AN INTERNATIONAL LOOK AT CHILD POVERTY

Percentage of Children Living Below the Poverty Line



SOURCE: Urban Institute, "Patterns of Income and Poverty: The Economic Status of Children and the Elderly in Eight Countries," by Timothy Smeeding, Barbara Boyle Torrey and Martin Rein, in John L. Palmer, Timothy Smeeding, and Barbara Boyle Torrey eds., *The Vulnerable* (the Urban Institute Press, 1988), Table 5.3.

thresholds for unemployment insurance have not been revised to reflect these new realities. The single-parent bias within AFDC, which denies welfare benefits to the great majority of poor two-parent families, has meant that the program exacerbated rather than offset the economic pressures against marriage.

Cumulatively, these failures have been dramatic for poor families with children. If just the inadequate 1979 level of transfer spending per poor family with children had been maintained, otherwise poor families with children would have received $5.2 billion more help in 1987.

In a bipartisan report called *The American Agenda*, addressed in the fall of 1988 to incoming President Bush, former Presidents Ford and Carter joined together to urge that the needs of poor children be placed on the very short list of issues for "immediate decisions and actions." Calling for greater investments in a wide range of programs to assist poor children, they wrote:

In the U.S. today, one child in five is poor. This is intolerable in history's richest nation. Children make up the biggest single segment of the 32 million Americans who live below the official poverty line. Children in poverty have a national economic impact as well, now and over the long term. The U.S. will need all of its children educated and trained for the tight labor market and increasingly complex skills of the 1990's and beyond. We believe that it would be imprudent to delay any longer on taking Federal action to begin the long process of assisting these children of poverty.

So far, however, the Bush administration has shown little interest in starting to repair more than a decade's damage to programs for poor families or assembling a coherent strategy for reducing child poverty in the 1990s and the next century. Last summer, President Bush's Domestic Policy Council staff explicitly decided not to engage the federal government in the essential task of responding to new economic realities and reducing child poverty. The *New York Times* reported, on July 6, 1990, that "the White House acknowledged that a major new 'investment in children' would have a big payoff for American society in the long run, but it shelved the idea after concluding that it was 'not likely to show an immediate reward.'" The *Times* quoted a "White House official" as summarizing the Council's decision not to press any significant new anti-poverty initiatives this way: "'Keep playing with the same toys. But let's paint them a little shinier.'"

Recommendations

It is essential to this nation's moral and economic future that we eliminate child poverty, a goal well within our reach by the year 2000. At a time when there is broad agreement that the nation needs a restoration of strong family values, it is equally essential that, as a nation, we again come to value helping those who either are trying to or cannot help themselves and investing in our children, taking care of them as well as we take care of ourselves. We must strive to envision and realize an America where every child has enough — enough time, attention, and stability from parents and other caring adults; and enough education, food, shelter, health care, and other basics.

This effort must start with the deeds of parents. All parents, including poor parents, have the primary responsibility for providing adequate income for their families as well as for transmitting those bedrock beliefs and attitudes gathered under the umbrella of "family values." No amount of schooling can imbue solid values that are not communicated in the home. And no amount of public or outside private intervention can substitute adequately for sustained efforts by parents to maximize their family's well-being through work and to improve their skills as a means to do so. While some parents' attempts to provide for their families may be hindered by illness, disability, national or local economic problems, or family crises, most parents can and should be expected to take advantage of every opportunity to ensure that their families' basic needs are met.

Establishing this expectation is not as imposing a task as it may sound. The majority of poor families have at least one working parent, and many others could work if given the opportunity and modest supports to do so. Our nation must learn to stop just equating family poverty with idleness, parental failure, and familial weakness.

Poor families, as all families, have incredible strengths on which to draw in their attempts to achieve and preserve their economic self-sufficiency. Their strengths are apparent in the efforts of millions of poor couples to form families and stay together despite the frequently relentless pressures caused by declining earnings levels, ill-designed government programs, and cultural signals that too frequently are anti-family. Their strengths also are apparent in the ability of most poor parents to seek and find work and, particularly in the case of single parents, to juggle the daunting combined responsibilities of work and child-rearing. And their strengths are apparent in the abilities of millions of poor parents to stretch often terribly inadequate incomes as far as is possible to meet the basic needs of their children.

Poor families are very much like other families.... There are no sharp differences in behavior between the poor and nonpoor.

Certainly there are a number of poor families without such strengths, just as there are many middle- and upper-class families weakened to the breaking point by unemployment, stress, alcohol, drugs, or other problems. Some poor families, whether labeled as members of an "underclass" (a group for which there is no agreed definition), or simply recognized as more socially isolated or possessing fewer strengths to help recuperate from damaging events, need a broader range or longer duration of help. They may need individualized attention, job training, and other intensive social services to a degree that other poor families or middle-class families do not.

But it is essential that this society see the great majority of poor families for what they are — typically very much like other families, but without enough income. There are no sharp differences in behavior between the poor and the nonpoor. Only by recognizing this will we be able to accept that poor families have very considerable strengths on which the nation can build, using private and public policies that support these strengths rather than mindlessly assume and often exacerbate weaknesses. By creating public and private policies that strengthen rather than weaken poor as well as middle-class families, we can ensure better, more secure lives for tens of millions of American children.

But if we expect parents to provide for their families, we also must make certain that the practices of employers and the government do not subvert that expectation. As long as wage, tax, and assistance policies leave many families that work hard at full-time jobs thousands of dollars below the poverty line, the society is making it impossible for some parents to fulfill the expectation regardless of what they do.

For this reason, eliminating child poverty should also begin with employers' responsibilities and build on the ability of the private economy to provide family-supporting wages and benefits. Employers can give a major boost to parents' earnings through their wage and personnel policies. Making sure that wage levels are adequate to support at least a small family (sometimes called a "family wage"), that eligible workers get advance payments of the federal Earned Income Credit to supplement those wages, and that employees and their dependents have employer-provided health insurance are obvious first steps. Training and apprenticeship programs for disadvantaged youths and adults, coupled with employment practices that guarantee equal opportunity and equal treatment, also will have a positive impact on families. Finally, employers can improve their own productivity while helping single parents and parents of young children participate in the labor market by providing paid parental leave, child care assistance, and flexible or part-time work schedules that accommodate family responsibilities for stressed parents from all income groups.

But efforts by parents and employers cannot succeed fully in the absence of sound public policies that contribute to a solid foundation for families and children. Nuclear families — whether well-to-do, middle-class, or poor — are not simply isolated little entities, socially or economically, that can succeed consistently without public supports. As the renowned child development expert Urie Bronfenbrenner has expressed it, "A child requires public policies and practices that provide opportunity, status, example, encouragement, stability, and

above all, time for parenthood, primarily by parents, but also by all adults in the society. And unless you have those external supports, the internal systems can't work. They fail."

There is a national responsibility for assuring that public policies, including economic supports, enable internal family systems to work. For the elderly and disabled, basic income supports (through social security and SSI) are understood to be a national responsibility. For middle-class and wealthy families, a range of federal and state help, including support through tax breaks for many housing and health insurance costs, helps to buttress their earnings.

In contrast, our society gives the least federal help to low-income families with children, for whom there is no minimum national floor of support. Instead there is an under-funded patchwork of programs, most of which serve a small minority of the poor. And we rely on states and localities to play a major role in financing and maintaining this "safety net." Under this fragmented structure, states have proven unable to surmount regional economic disparities to create a consistently strong economic base for families, and they lack the full range of potential tax resources necessary to do the job.

Only the federal government can marshal the resources and provide the leadership required for an effective national effort to eliminate child poverty and support middle-class families that are in increasing economic trouble. Here are the essential first steps.

1) ***Children's tax credit***. The first step in such an effort should be the creation of a tax credit for children — a modest basic amount per child, available through the tax system to every family with children either to reduce taxes or to be paid to the family if it has no tax liability to offset. That credit will symbolically and, more important, practically recognize the society's compelling interests in supporting all of its families with children and meeting the basic needs of its future parents, citizens, and workers. The United States is the only western industrialized democracy that does not have some type of children's credit, children's allowance, or other universal public benefit for families raising children.

A uniform federal tax credit to families for each child would respond well to the growing financial burdens borne by families with children. By being refundable (payable to families even if they have little or no tax liability), the credit would reach poor as well as middle-class and affluent families.

In a sense the current personal exemption for children in the federal income tax code functions a bit like such a "children's allowance." The exemption allows families to deduct from taxable income $2,150 (in 1991) for each child as well as each adult, thereby reducing taxes. But this tax break, if thought of as a children's allowance, is not one that works well. First, the value of the exemption has dwindled over the past four decades because it was not adjusted enough to keep pace with inflation. Second, the exemption as now structured provides no assistance whatsoever to those poor families with children (including working families) that otherwise have no federal income tax liability for it to reduce. And third, the exemption gives moderate-income families less help than it does the wealthy. For example, for 1991 the exemption will reduce the tax liability of a moderate-income family (in the 15 percent tax bracket) by $322.50 for each child, but will be worth more than twice as much — $666.50 per child — for a wealthy family in the 31 percent tax bracket.

To protect society's stake in the well-being of all children, while holding down the cost of a tax credit initiative, the government should replace the personal exemption for children with a uniform and universal refundable credit. A credit in the range of $1,200 to $1,300 for each family member younger than 18 would give a tax benefit roughly equal to the original 1948 value of the exemption, according to such experts as C. Eugene Steuerle and Jason Juffras of the Urban Institute. To restrain the total cost of this change and focus the bulk of assistance on low- and middle-income families that most need help, the credit also could be gradually phased out for very high-income families.

Such a credit would be a far more effective pro-family and pro-child step than some recent proposals simply to retain and increase the personal exemption. Because the exemption proposals would benefit the wealthy far more than the middle class, and benefit the poor not at all, they are "means-tested" in reverse (the amount received depends on the family's income — or means — but in the case

of the exemption the greater a family's means, the more it gets). For example, increasing the personal exemption by $2,000 per child would have the following benefits at different income levels:

Family Income (1991)	Increase in After-Tax Income for Family with Two Children
Less than $14,300	$ 0
15,000	105
20,000	600
30,000	600
40,000	600
50,000	821
60,000	1,120
80,000	1,120
100,000	1,227
More than 100,450	1,240

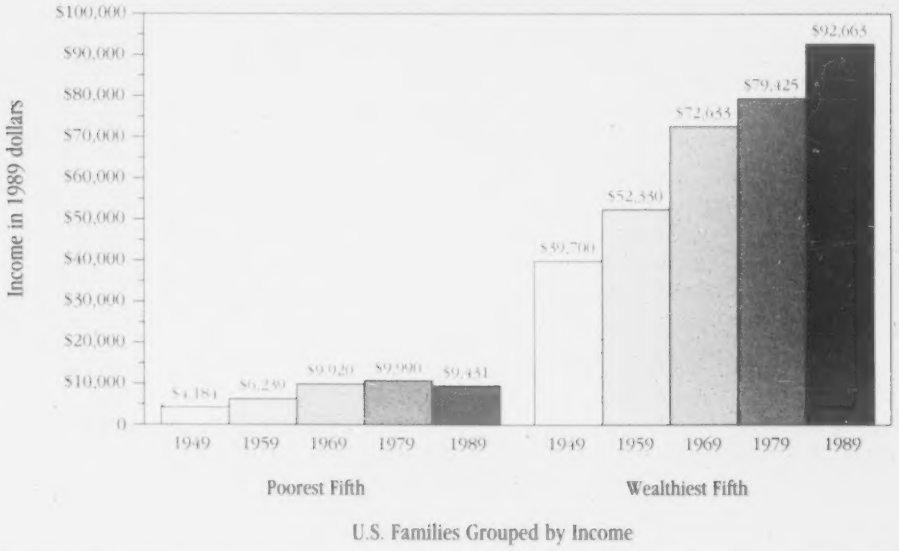
If one were starting from scratch to build a pro-family policy in this country, particularly in times of high deficits, giving $1,240 grants to the wealthy, $600 to moderate-income families, and nothing to the poor hardly would be the logical first step.

Rather, it would exacerbate the growing inequality that has been occurring in the distribution of income. Between 1979 and 1989, the average income of the bottom one-fifth of families (adjusted for inflation) dropped by 6 percent, while that of the top fifth surged upward by 17 percent. Low-income families *with children* suffered even harsher losses. According to a recent congressional analysis (which adjusted for changes in family size), the poorest fifth of American families with children lost 21 percent of their income from 1973 to 1988.

It is time that the government, whether through tax policy or spending policy, stop contributing to these divergences. "Updating the personal exemption for inflation" can't be allowed to become a mantra that obscures sound social policy. A children's tax credit that benefits poor and middle-class children as much or more than the wealthy is a far sounder idea.

2) ***Child support insurance.*** A children's tax credit is a part of a solid base for families with children, but only a part. A second essential part would have the government ensure that all children who are not living with both parents receive a minimally

AVERAGE INCOME OF WEALTHY AND LOW-INCOME FAMILIES, 1949 TO 1989



SOURCE: Census Bureau. Calculations by the Children's Defense Fund.

adequate child support payment from the absent parent. More vigorous federal and state child support enforcement efforts — to establish paternity, obtain support orders, and collect payments from absent parents — are essential to guarantee that those absent parents who have the ability to contribute to the support of their children do so. Yet even the most effective enforcement system will leave some children without adequate child support, either because the amount of the child support order falls short of minimally acceptable levels, or because payments cannot be or are not collected on behalf of the child.

For these reasons, the government should establish a system of child support insurance that would insure children against a parent's desertion or divorce, much as it now insures many Americans against death or disability. Most support payments under this new system would come from the absent parents themselves. However, the federal government would make up the difference when absent parents are not able to make adequate payments, and would guarantee as well that children do not lose basic income support as a result of the failure of the child support enforcement system to collect on their behalf.

Taken together, the children's tax credit and insured child support benefit would provide a solid economic floor upon which all families would build and from which poor parents in particular could work to lift their families out of poverty. For example, with a child tax credit and insured child support benefit established at appropriate levels, a single parent with one or two very young children would be able to lift her family above the poverty line by working at least half time at the minimum wage. Similarly, a married-couple family with two children and at least one worker employed full time at the minimum wage would secure an income above the poverty line.

Unlike the disincentives to work now built perversely into many of our current family and welfare policies, the combination of the children's tax credit and insured child support could encourage and reward work effort, giving even the lowest skilled or lowest paid parents the base from which they would have a good shot at climbing and staying out of poverty. When a family on Aid to Families with Dependent Children (AFDC) and food stamps receives child support payments, the federal government and states now take away all but about $35 of those payments each month. And when a parent on AFDC goes to work, the family stands to lose most or all of its benefits. Steuerle and Juffras of the Urban Institute estimate that when an AFDC recipient leaves welfare to take a minimum wage job, she loses approximately 90 percent of her earnings as a result of increased taxes, reductions in welfare benefits, and the costs of working. Such astronomical effective "tax rates" — which can exceed 100 percent for some families when medical insurance and other losses are factored in — prevent families with children from drawing upon their strengths and abilities to achieve an adequate income.

The efforts of parents to lift their families out of poverty will succeed only if the economic rewards of work are more adequate.

3) ***Minimum wage.*** Parents who can work should work, but in turn parents who work should not have to be poor or see their children suffering in poverty. The efforts of parents to lift their families out of poverty will be successful only if the national government ensures that the economic rewards of work are more adequate for family support. The government must revive its commitment to a "family wage" by moving to make up the ground the minimum wage has lost to inflation, beginning with an increase from the current $4.25 per hour to $4.65 in 1992.

4) ***Earned Income Credit.*** As a complement to a higher minimum wage, the federal Earned Income Credit for low-income workers with children also should be expanded, particularly for larger families who typically suffer the most severe poverty.

5) ***Family leave.*** Parents can secure adequate earnings through employment only if they are able to balance their work and family responsibilities and be assured the right to return to their jobs after brief absences that are essential to child-rearing. The lack

of even minimal assurances of parental leave from work at the time of birth, adoption, or family and medical emergencies imposes an obvious obstacle for families with children as they strive to achieve economic self-sufficiency and be good parents. Immediate enactment of the Family and Medical Leave Act of 1991 represents an essential beginning in the formulation of effective national policies that recognize and seek to reconcile the competing and sometimes conflicting roles of parents and workers in American society.

Investments in the basic academic and vocational skills of the nation's workers and parents are vital to any efforts to eliminate poverty.

Other vital supports

- The federal government's handling of the national economy in many ways determines the success or failure of efforts by both employers and parents to build a strong economic base for families with children. Public policies designed to combat recessions and put more of the unemployed back to work are essential, especially in depressed communities facing chronically high levels of joblessness.

- For those who find themselves temporarily out of work, the floor provided by unemployment insurance must be mended and strengthened so that it reaches and protects poor and near-poor families from severe economic hardship.

- Longer term steps also must be taken to restore the employment prospects of young workers, many of whom are the parents of young children and increasingly are unable to secure stable employment at decent wages. More and better investments from all levels of government and the private sector in the basic academic and vocational skills of the nation's next generation of workers and parents are a vital part of any serious effort to eliminate poverty for future generations of children. For older youths, obvious first steps at the federal level include a major expansion of the successful and cost-effective education, training, and support services Job Corps provides, as well as improved targeting of the Job Training Partnership Act for young people with weak basic academic skills.

- These various policies designed to expand earnings and incomes and provide a strong economic foundation for families with children could go a long way toward reducing reliance upon AFDC for basic income support. The AFDC program never has represented an adequate or well-designed response to the problems and needs of poor families with children, and its political and substantive shortcomings (including its federal–state structure, inadequate benefits, barriers to aid for two-parent families, and strong disincentives to work) have become more and more pronounced. But even with the other supports described here, AFDC or some analogous residual means-tested income program will continue to be essential to provide or supplement help for families that otherwise would not be reached or adequately assisted by such new initiatives. The program must, however, assure a decent standard of subsistence; must reach two-parent as well as single-parent families; must make certain that the impact of the new income support policies is not undermined by large offsetting reductions in welfare benefits (for example, taking away one dollar in welfare for every dollar received in child support insurance); and must abandon the current rules that take back through taxes and benefit reductions 90 cents or more of every dollar earned — a huge effective "tax rate" that discourages work and taxes the poor at levels three times those placed on the wealthy.

- Given the unaffordable cost of health insurance or uninsured health care for both poor and middle-class families, we must develop mechanisms, through employers or public systems, to ensure that all children and parents have health insurance.

- Quality child care is essential to support the work efforts of parents with young and school-aged children, and lower income parents need assistance in paying for such care. Full and effective implementation of the comprehensive child care law enacted in 1990 will be an important step toward meeting these needs.

- Finally, even while taking steps to lift and keep families with children out of poverty, the nation must respond immediately to the re-emergence of childhood hunger in America and the rapidly ris-

ing costs of housing that now threaten to overwhelm low-income families with children. Congress can reduce substantially the incidence of childhood hunger by passing the Mickey Leland Childhood Hunger Relief Act, which would assist poor families with children by making essential and far-reaching improvements in the federal food stamp program. Efforts to increase the supply of affordable housing and ensure adequate housing for poor families with children also are essential to prevent homelessness and ease economic pressures on families that face extraordinarily high housing costs. This includes adding new low-cost units to the existing housing stock, including public housing — a long overdue effort. In addition, the government must offer incentives to all states through the Emergency Assistance Program and other programs to prevent evictions and take other steps to assist families at risk of becoming homeless.

There are other parts of the community that must play a role too: churches, community groups, and nonprofits are among those that must work alongside parents, business, and government. Eliminating child poverty will not be easy, and requires support from every sector, but it is eminently possible. Other, less affluent societies have done far better than we have, and thereby shown the possibilities. The United States has gone two-thirds of the way toward eliminating poverty for the elderly. The gains to our society from eliminating child poverty — in improved productivity and domestic tranquility, in savings from costs for everything from neonatal intensive care wards to remedial education to welfare to drug treatment to prison construction, in becoming again a culture that feels pride that it is tackling the most morally essential tasks and working to mend rather than expand its divisions — are too great to pass up. This is a job we must set out now to accomplish, and be sure we finish before the turn of the century.

Appendix

Number of Children Below the Poverty Level, by Race and Ethnicity

(Numbers in thousands)

	All Races	White	Black	Latino
1989	12,590	7,599	4,375	2,603
1988	12,455	7,435	4,296	2,631
1987	12,843	7,788	4,385	2,670
1986	12,876	8,209	4,148	2,507
1985	13,010	8,253	4,157	2,600
1984	13,420	8,472	4,413	2,376
1983	13,911	8,862	4,398	2,312
1982	13,647	8,678	4,472	2,181
1981	12,505	7,785	4,237	1,925
1980	11,543	7,181	3,961	1,749
1979	10,377	6,193	3,833	1,535
1978	9,931	5,851	3,830	1,384
Percent change:				
1979-89	21.3%	22.7%	14.1%	69.6%

Percent of Children Below the Poverty Level, by Race and Ethnicity

	All Races	White	Black	Latino
1989	19.6%	14.8%	45.7%	36.2%
1988	19.5	14.5	43.5	37.6
1987	20.3	15.3	45.1	39.3
1986	20.5	16.1	43.1	37.7
1985	20.7	16.2	43.6	40.3
1984	21.5	16.7	46.6	39.2
1983	22.3	17.5	46.7	38.1
1982	21.9	17.0	47.6	39.5
1981	20.0	15.2	45.2	35.9
1980	18.5	13.9	42.3	33.2
1979	16.4	11.8	41.2	28.0
1978	15.9	11.3	41.5	27.6
Percent change:				
1979-89	19.9%	24.8%	6.1%	29.4%

SOURCE: Census Bureau. Calculations by Children's Defense Fund.

Number of Poor Children and Poverty Rates of Children, by Family Type, All Races

(Numbers in thousands)

	Poor Children in Female-Headed Fam.	Poverty Rate of Children in Female-Headed Fam.	Poor Children in Married-Couple Fam.	Poverty Rate of Children in Married-Couple Fam.	Percent of Children in Female-Headed Fam.
1989	6,808	51.1%	5,195	10.4%	21.1%
1988	6,955	52.9	4,980	10.0	20.9
1987	7,074	54.7	5,361	10.9	20.8
1986	6,943	54.4	5,313	10.8	20.6
1985	6,716	55.6	5,767	11.7	20.2
1984	6,772	54.0	6,157	12.5	20.4
1983	6,747	55.4	6,680	13.5	19.8
1982	6,696	56.0	6,443	13.0	19.4
1981	6,305*	52.3	5,764	11.6	19.5
1980	5,866	50.8	5,248	10.4	18.6
1979	5,635	48.6	4,358	8.5	18.6
1978	5,687	50.6	4,035	7.9	18.1
1977	5,658	50.3	4,371	8.5	17.9
1976	5,583	52.0	4,497	8.5	16.8
1975	5,507	52.7	5,284	9.8	16.4
1974	5,361	51.5	4,605	8.3	15.8
1973	5,171	52.1	4,282	7.6	14.9
1972	5,094	53.1	4,988	8.6	14.2
1971	4,850	53.1	5,494	9.3	13.3
1970	4,689	53.0	5,546	9.2	12.9
1969	4,247	54.4	5,253	8.6	11.3
1968	4,409	55.2	6,330	10.2	11.4
1967	4,246	54.3	7,181	11.5	11.2
1966	4,262	58.2	7,884	12.6	10.5
1965	4,562	64.2	9,826	15.7	10.2
1964	4,422	62.3	11,314	18.2	10.2
1963	4,554	66.6	11,137	18.0	9.9
1962	4,506	70.2	12,124	19.9	9.5
1961	4,044	65.1	12,533	21.0	9.4
1960	4,095	68.4	13,193	22.3	9.2
1959	4,145	72.2	13,065	22.4	9.0
Percent Change:					
1973-89	31.7%	-1.9%	21.3%	36.8%	41.6%
1979-89	20.8	5.1	19.2	22.4	13.4
Absolute Change:					
1979-89	1,173	835			

SOURCE: Census Bureau. Calculations by Children's Defense Fund.

Number of Children Below the Poverty Level, by Detailed Age, All Races

(Numbers in thousands)

	Total: Under 18	Poor: Under 18	Under 3	3-5	Under 6	6-17	18-21
1989	64,144	12,590	2,671	2,400	5,071	7,519	2,201
1988	63,747	12,455	2,632	2,400	5,032	7,552	2,294
1987	63,294	12,843	2,543	2,441	4,984	8,032	2,298
1986	62,948	12,876	2,353	2,443	4,796	8,080	2,403
1985	62,876	13,010	2,472	2,500	4,972	8,038	2,539
1984	62,447	13,420	2,561	2,553	5,114	8,305	2,667
1983	62,334	13,911	2,720	2,582	5,302	8,505	2,806
1982	62,345	13,047	2,619	2,358	4,977	8,670	2,660
1981	62,349	12,505	2,363	2,192	4,555	7,950	2,585
1980	62,914	11,543	2,163	1,943	4,106	7,437	2,259
1979	63,575	10,377	1,762	1,644	3,406	6,645	1,993
1978	62,311	9,931	1,645	1,538	3,185	6,748	2,036
1977	63,137	10,288	1,693	1,634	3,327	n/a	n/a
1976	64,028	10,273	1,632	1,638	3,270	n/a	n/a
1975	65,079	11,104	n/a	n/a	n/a	n/a	n/a
1974	66,134	10,156	1,593	1,701	3,294	n/a	n/a
1973	66,959	9,642	1,501	1,596	3,097	n/a	n/a
Percent change:							
1973-89	-4.2%	30.6%	77.9%	50.4%	63.7%	n/a	n/a
1979-89	1.2	21.3	51.6	46.0	48.9	13.2%	10.4%

Percent of Children Below the Poverty Level, by Detailed Age, All Races

	Under 18	Under 3	3-5	Under 6	6-17	18-21
1989	19.6%	23.5%	21.6%	22.5%	18.1%	15.3%
1988	19.5	23.3	21.9	22.6	18.2	16.1
1987	20.3	23.1	22.5	22.8	19.4	16.0
1986	20.5	21.7	22.6	22.1	19.6	16.7
1985	20.7	22.8	23.2	23.0	19.5	17.2
1984	21.5	23.8	24.1	24.0	20.2	17.4
1983	22.3	25.1	24.9	25.0	20.8	17.8
1982	21.9	24.1	23.5	23.8	20.9	16.4
1981	20.0	22.2	22.6	22.4	18.9	15.7
1980	18.3	21.0	20.4	20.7	17.3	13.5
1979	16.4	18.2	18.0	18.1	15.5	12.2
1978	15.9	17.4	17.0	17.2	15.4	12.4
1977	16.2	18.4	17.9	18.1	n/a	n/a
1976	16.0	18.0	17.4	17.7	n/a	n/a
1975	17.1	n/a	n/a	n/a	n/a	n/a
1974	15.4	17.4	16.5	16.9	n/a	n/a
1973	14.4	15.9	15.5	15.7	n/a	n/a
Percent Change:						
1979-89	19.9%	29.2%	19.9%	24.6%	16.5%	26.0%
1973-89	36.3	47.8	39.3	43.7	n/a	n/a

Note: Under 18 category is based on revised U.S. Census data.
Detailed age data from unrevised annual U.S. Census data.

SOURCE: Census Bureau. Calculations by Children's Defense Fund.

Number of Poor Children in Married-Couple Families

(Numbers in thousands)

	All Races	White	Black	Latino
1989	5,193	3,909	931	1,338
1988	4,980	3,671	859	1,282
1987	5,361	4,076	905	1,390
1986	5,313	4,192	787	1,219
1985	5,767	4,467	875	1,265
1984	6,157	4,709	1,085	1,224
1983	6,680	5,146	1,085	1,149
1982	6,443	5,032	1,120	1,127
1981	5,764	4,309	1,119	965
1980	5,248	4,004	962	900
1979	4,358	3,279	858	845
1978	4,035	3,047	833	691
1977	4,371	3,250	965	716
1976	4,497	3,321	980	788
1975	5,284	3,934	1,161	925
1974	4,605	3,396	1,062	n/a
1973	4,282	3,001	1,188	n/a
Percent Change:				
1973-89	21.3%	30.3%	-21.6%	n/a
1979-89	19.2	19.2	8.5	60.2%

Poverty Rate of Children in Married-Couple Families

	All Races	White	Black	Latino
1989	10.4%	9.1%	20.5%	25.5%
1988	10.0	8.5	18.7	25.4
1987	10.9	9.5	19.8	28.3
1986	10.8	9.8	17.9	25.8
1985	11.7	10.4	18.8	27.4
1984	12.5	11.0	24.3	27.0
1983	13.5	12.0	23.7	27.5
1982	13.0	11.6	24.1	27.8
1981	11.6	10.0	23.4	24.5
1980	10.4	9.0	20.5	22.9
1979	8.5	7.3	18.7	19.1
1978	7.9	6.8	17.6	17.2
1977	8.5	7.1	19.9	17.9
1976	8.5	7.1	19.4	20.8
1975	9.8	8.2	22.1	23.8
1974	8.5	6.9	20.0	n/a
1973	7.6	6.0	21.7	n/a
Percent Change:				
1973-89	36.8%	51.7%	-6.5%	n/a
1979-89	22.4	24.7	8.6	33.5%

* Married-couple families includes a small proportion (less than 4 percent) of children in single male headed families.

SOURCE: Census Bureau. Calculations by Children's Defense Fund.

Number of Poor Children in Female-Headed Families

(Numbers in thousands)

	All Races	White	Black	Latino
1989	6,808	3,255	3,326	1,158
1988	6,955	3,424	3,289	1,294
1987	7,074	3,474	3,594	1,241
1986	6,943	3,522	3,251	1,194
1985	6,716	3,372	3,181	1,247
1984	6,772	3,577	3,234	1,093
1983	6,747	3,588	3,187	956
1982	6,696	3,249	3,269	990
1981	6,305	3,120	3,051	909
1980	5,866	2,813	2,944	809
1979	5,635	2,629	2,887	648
1978	5,687	2,627	2,948	663
1977	5,658	2,693	2,885	686
1976	5,585	2,713	2,778	636
1975	5,597	2,813	2,724	694
1974	5,361	2,683	2,651	n/a
1973	5,171	2,461	2,635	n/a
Percent Change:				
1973-89	31.7%	32.3%	26.2%	n/a
1979-89	20.8	23.8	15.2	78.7%

Poverty Rate of Children in Female-Headed Families

	All Races	White	Black	Latino
1989	51.1%	42.1%	63.1%	64.3%
1988	52.9	44.9	64.7	69.6
1987	54.7	45.8	68.3	70.1
1986	54.4	46.3	67.1	66.7
1985	53.6	45.2	66.9	72.4
1984	54.0	45.9	66.2	71.0
1983	55.4	47.1	68.3	70.6
1982	56.0	46.5	70.7	71.8
1981	52.5	42.8	67.7	67.3
1980	50.8	41.6	64.8	65.0
1979	48.6	38.6	63.1	62.1
1978	50.6	39.9	66.4	68.9
1977	50.3	40.3	65.7	68.6
1976	52.0	42.7	65.6	67.3
1975	52.7	44.2	66.0	68.4
1974	51.5	42.9	65.0	n/a
1973	52.1	42.1	67.2	n/a
Percent Change:				
1973-89	-1.9%	0.0%	-6.1%	n/a
1979-89	5.1	9.1		3.5%

SOURCE: Census Bureau. Calculations by Children's Defense Fund.

AFDC Benefits, 1970, 1990, and Projected 2000, in Inflation-Adjusted 1990 Dollars

	July 1970	Jan 1990	Real Percent Change 1970-1990	Projected 2000
Alabama	$212	$118	-44.4%	$92
Alaska	1,071	846	-21.0	757
Arizona	451	293	-35.0	242
Arkansas	291	204	-29.8	174
California	608	694	14.2	743
Colorado	630	356	-43.5	279
Connecticut	924	649	-29.8	552
Delaware	523	335	-36.3	273
Dist. Col.	657	409	-35.8	330
Florida	372	294	-21.1	265
Georgia	350	273	-21.9	243
Hawaii	758	602	-18.5	540
Idaho	689	317	-54.0	251
Illinois	758	367	-51.6	272
Indiana	392	288	-26.5	250
Iowa	657	410	-37.6	333
Kansas	725	409	-43.6	320
Kentucky	480	228	-52.5	168
Louisiana	287	190	-33.9	158
Maine	441	453	2.7	459
Maryland	529	396	-25.2	346
Massachusetts	875	539	-38.4	435
Michigan	715	516	-27.9	444
Minnesota	836	552	-34.1	455
Mississippi	185	120	-34.4	99
Missouri	340	289	-14.9	267
Montana	660	359	-45.6	277
Nebraska	559	364	-34.8	301
Nevada	395	330	-16.5	303
New Hampshire	856	506	-40.9	405
New Jersey	987	424	-57.0	303
New Mexico	487	264	-45.8	204
New York	911	577	-36.7	471
North Carolina	474	272	-42.6	214
North Dakota	690	386	-44.5	300
Ohio	526	334	-36.5	275
Oklahoma	497	325	-34.5	269
Oregon	641	432	-28.1	371
Pennsylvania	866	421	-51.4	313
Rhode Island	748	543	-27.4	469
South Carolina	278	206	-25.8	179
South Dakota	862	377	-56.3	271
Tennessee	366	184	-49.7	138
Texas	485	184	-61.9	127
Utah	572	387	-32.3	324
Vermont	872	662	-24.1	582
Virginia	735	354	-51.8	262
Washington	843	501	-40.6	399
West Virginia	372	249	-33.1	208
Wisconsin	601	517	-14.0	481
Wyoming	696	360	-48.3	273
Median State	$601	$364	-39.4%	$292

SOURCE: U.S. House of Representatives, Committee on Ways and Means. Calculations by Children's Defense Fund.

Number of Poor Children and Poverty Rates of Children Younger than 6, by Family Type, All Races

(Numbers in thousands)

	Poor Children in Female-Headed Fam.	Poverty Rate of Children in Female-Headed Fam.	Poor Children in Married-Couple Fam.	Poverty Rate of Children in Married-Couple Fam.	Percent of Children in Female-Headed Fam.
1989	2,747	62.2%	2,121	11.9%	19.9%
1988	2,710	63.9	2,090	11.8	19.5
1987	2,618	65.7	2,199	12.5	18.4
1986	2,566	65.2	2,053	11.8	18.4
1985	2,481	65.8	2,352	13.3	17.6
1984	2,432	65.2	2,507	14.4	17.7
1983	2,495	67.7	2,668	15.4	17.6
1982	2,405	67.0	2,417	14.2	17.4
1981	2,248	65.9	2,174	13.0	17.0
1980	2,034	65.2	1,952	11.8	15.9
1979	1,846	61.6	1,501	9.6	16.0
1978	1,840	61.6	1,337	8.6	16.2
1977	1,884	65.1	1,442	9.3	15.8
1976	1,797	64.4	1,474	9.4	15.1
1975	1,744	62.0	1,717	10.6	14.8
Percent change:					
1979-89	48.8%	0.9%	41.3%	24.5%	24.4%
Absolute change:					
1979-89	901	n.a.	620	n.a.	n.a.

SOURCE: Census Bureau. Calculations by Children's Defense Fund.

Data Sources and Notes

All numbers in the report are based on the most recent data available. Unless stated otherwise, data are from official federal government sources. A principal data source for the report (the source for most 1989 data on family income and poverty status and much of the historical data) is U.S. Census Bureau, *Money Income and Poverty Status in the United States: 1989*, Current Population Reports Series P-60 No. 168 (Washington, D.C.: Government Printing Office, 1990). Additional income and poverty data are taken from related Census Bureau reports and unpublished tables for various years. The Census Bureau compiled these reports and tables based on information from its March Current Population Survey for various years. Poverty data from the 1990 decennial census were not available at the time this report was written. Data on earnings are from the Bureau of Labor Statistics. Data on the impact of changes in federal income tax policies, and data on state AFDC benefit levels, are from U.S. House of Representatives, Committee on Ways and Means, *1990 Green Book*.

Data on the effectiveness of cash transfer benefits in lifting families out of poverty are taken from U.S. Census Bureau, *Measuring the Effect of Benefits and Taxes on Income and Poverty: 1989* Series P-60 No. 169-RD, and from Census Bureau Technical Papers 51 and 58, "Estimates of Poverty Including the Value of Noncash Benefits." Cash transfers are defined as assistance payments received on a regular basis from federal, state, or local government. They include regular payments from programs such as Social Security, Supplemental Security Income, unemployment insurance, Aid to Families with Dependent Children, state General Assistance, and veterans' benefits. They do not include one-time payments such as Social Security lump sum payments or yearly tax refunds. The Census Bureau counts cash transfers as income in determining poverty status. (Noncash benefits, such as food stamps, Medicaid, or rental assistance, are not counted.)

In addition to data from governmental sources, data on infant mortality rates and low birthweight rates in the United States and other nations are taken from United Nations Children's Fund (UNICEF), *The State of the World's Children 1991* (New York: United Nations, 1990). Data on the total and per capita GNP of the United States and other nations are from UNICEF, *ibid.*, and Ruth Leger Sivard, *World Military and Social Expenditures 1989* (Washington, D.C.: World Priorities, Inc., 1989). Data on poverty status of native-born and foreign-born Mexicans are from Frank D. Bean and Marta Tienda, *The Hispanic Population of the United States* (New York: Russell Sage, 1987), an analysis of the 1980 decennial census. Data on the proportion of unemployed workers receiving unemployment benefits are compiled by the Center on Budget and Policy Priorities. When other nongovernmental data

are used in this report, the source is noted in the text or chart.

All historical numbers are adjusted for inflation using the consumer price index for all urban consumers (CPI-U).

Impact of Economic Cycles on the Number of Poor Children

The figures on page 6 show the average yearly change in the number of poor children during years of economic expansion and recession. The starting and ending points of these expansions and recessions are listed in the following chart.

Because economic cycles are measured by month, while the Census Bureau calculates poverty status based on calendar years, it is necessary for the analysis to determine which calendar years most accurately capture the high or low points in each economic cycle. This is done by looking at nationwide unemployment levels. For example, the last recession ended in November 1982, but for this analysis the low point is considered to be calendar year 1983 because 1983 is close to November 1982 and because more people were unemployed in 1983 than in 1982.

An additional expansion (not shown) occurred from July 1980 to July 1981. However, this short recovery was very weak, failing to improve either annual unemployment levels or the figures on child poverty. In this analysis, therefore, the weak recovery is effectively ignored and the entire period from January 1980 to November 1982 (measured by poverty data for 1979 to 1983) is treated as a single recession. Cycles before the 1960s are not shown because 1959 is the first year for which official poverty data exist. For the most recent expansion, poverty data through 1989 are used because 1989 is the latest year available.

ECONOMIC CYCLES (AND CORRESPONDING CALENDAR YEARS) USED FOR FIGURES ON PAGE 6

	Actual Month of Economic Low and High Points		Calendar Year Used to Measure Number of Poor Children	
	Low	High	Low	High
1960s		April 1960		1959
	February 1961	December 1969	1961	1969
1970s				
		December 1969		1969
	November 1970	November 1973	1971	1973
	March 1975	January 1980	1975	1979
1980s				
		January 1980		1979
	November 1982	July 1990	1983	1989

SOURCE: U.S. Bureau of Economic Analysis

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A Profile of America's Poor Children, 1989

Percent of Poor Children in 1989 Who Were:	
White, non-Latino	41
Black	35
Latino	21
Asian or Pacific Islander	3
Rural	26
Suburban	29
Central city	46
In married-couple families	38
In female-headed families	54
In male-headed families	4

Percent of Poor Families with Children in 1989 Which Had:	
At least one worker	63
One worker	43
Two workers	17
Three workers	3
Household head who worked in 1989	54
Worked full time, year-round	18
Worked part time, year-round	5
Worked for only part of the year	31

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